NEWSPAPER

Business Insurance®

JUNE 26, 1995

Reporting Weekly on Corporate Risk, Employee Benefit and Managed Health Care News / $4

© Entire contents copyright 1995 by Crain Communications Inc. All rights reserved

Updates

Employee costs are key factor in plan satisfaction: Survey

CHICAGO—Employee satisfaction with HMOs is influenced most by the amount they must pay out of their own pockets for coverage, according to a massive health plan survey by the Chicago Business Group on Health.

The survey, funded by 14 large employers and seven health plans in the Chicago area, examined employees' and employers' overall satisfaction with different types of managed health care plans, including health maintenance organizations, preferred provider org-

See **Updates** *on next page*

New HMO giant on horizon

United HealthCare, MetraHealth set to combine forces

By MICHAEL SCHACHNER and CHRISTINE WOOLSEY

MINNEAPOLIS—United HealthCare Inc.'s possible acquisition of MetraHealth Cos. is certain to produce a competitive managed care juggernaut, but the merger won't be without challenges.

Unlike previous HMO mergers, in this deal United HealthCare, currently the nation's fourth-largest health maintenance organization, would be acquiring a health care company with three times as many health plan members.

Analysts and benefit experts point out that MetraHealth is a considerably weaker managed care organization than its merger partner. The majority of its members are enrolled in costly traditional indemnity plans.

Some analysts say that acquiring so much indemnity plan business, which is more costly to manage than HMOs, poses a significant financial risk to United HealthCare.

Meanwhile, corporate health care purchasers worry that such a merger may strain United HealthCare's otherwise efficient operations.

Minneapolis-based United HealthCare last week confirmed it was having discussions with MetraHealth, a 1-year-old group health joint venture of Metropolitan Life Insurance Co. and Travelers Corp. If the merger takes place, the combined new entity would be the second-largest HMO in the country, with more than 5.4 million employees and dependents in HMO and point-of-service plans.

On Friday, a United HealthCare spokeswoman said no agreement had been reached and there was no certainty that one would be reached. Neither company would comment further.

However, a person close to MetLife and McLean, Va.-based

See **Merger** *on page 37*

A year in the sun

Florida's small group coverage experiment is off to a slow start but may pick up in its second year.

Who's buying coverage

Of 332,100 small businesses in Florida . . .



. . . only 9,450 are enrolled in CHPAs

2.8%

Among enrolled firms



46% previously insured

54% previously uninsured

Source: The Agency for Health Care Administration

Leading health plans

Greatest market shares as of March 31



1. Humana Medical Plan
2. Fortis Benefits Insurance Co.
3. John Alden Life Insurance Co.
4. Health Options Inc.
5. Aetna Health Plan of Florida

Superfund liability, funding reform proposed in advance of legislation

By MARK A. HOFMANN

WASHINGTON—Chemical companies are calling for a program like the Environmental Insurance Resolution Fund to be revived as a means to finance cleanups in Superfund reform legislation.

However, disputes over financing for a proposed EIRF split insurer support for Superfund reauthorization legislation last year and ultimately helped cause its demise.

The Washington-based Chemical Manufacturers Assn.'s support for an EIRF came as three key congressional players for Superfund reform called for a repeal of retroactive liability.

In addition, the congressmen are calling for the House Appropriations Committee to cut off funds for the controversial environmental program if reform is not completed by the end of this year.

Another key player, Rep. Bill Zeliff, R-N.H., indicated last week that he soon will reintroduce legislation he'd first sponsored last year to repeal Superfund's system of retroactive liability.

The call for inclusion of something like the EIRF in a Superfund reauthorization package came during a hearing on last week before the House Commerce Subcommittee on Commerce, Trade and Hazardous Waste.

"Last year, the insurance industry volunteered to pay $800 million a year into a fund that would settle insurance claims for Superfund cleanups. That offer has not been renewed this year to help pay for retroactive repeal," noted Bernard J. Reilly, a staff attorney for Wilmington, Del.-based E.I.

See **Superfund** *on page 38*



Spotlight on Mental Health Care Benefits

Page 3

Directory of EAPs and Managed Mental Health Networks

Page 12

Hutter to lead Swiss Re in U.S.

By EDWIN UNSWORTH

LONDON—Heidi E. Hutter, who heads Equitas Ltd., the run-off reinsurance project at Lloyd's of London, has been tapped by Swiss Reinsurance Co. to become chairman and chief executive of its newly renamed U.S. unit, Swiss Reinsurance America Corp

The exact date for Ms. Hutter to assume the helm of Swiss Re America has not been set, though it is not expected until early 1996, because she has agreed to complete the Lloyd's assignment she began in October 1993. That assignment has been to help set up Equitas as an active reinsurance company to assume the past debts of Lloyd's members.

Ms. Hutter, 37, is highly regarded in insurance circles on both sides of the Atlantic, and earlier this year was named Insurance Woman of the Year by the Assn. of Professional Insurance Woman Inc. (*BI*, April 3).



Ms. Hutter

She was approached some months ago by Swiss Re—where she had worked for 14 years before accepting the appointment to head up Equitas—to head its U.S. operation.

Swiss Re America, known as North American Reinsurance Corp. until earlier this year, is the fourth-largest U.S. professional

See **Hutter** *on page 38*

Florida sowing seeds for growth of health venture

By DAVE LENCKUS

Like a sapling, Florida's fledgling small group health care coverage experiment appears to be taking root: There isn't tremendous growth, but it is blossoming at the start of its second season.

The question as rougher conditions loom is whether the program will bend—and continue as a model for other states—or break.

Nearly 10,000 small businesses in Florida have signed up for coverage through a voluntary system based on managed competition that resembles the centerpiece of the Clinton administration's failed health care reform effort.

Florida employers and agents report that those small groups typically save 5% to 30% over the premiums they previously paid or were quoted. The program generates that purchasing power by giving small groups easy access to rates on standardized plans and allowing small groups to sponsor multiple plans.

More than half of the participating small groups had not offered health care coverage before purchasing it through the state's 11 Community Health Purchasing Alliances, which act as clearinghouses of rate information on standardized plans.

"Over the next five to 10 years, Florida will lower its uninsured rate because the CHPAs are there," predicted Douglas M. Cook, director of the Agency for Health Care Administration in Tallahassee, Fla., which is charged with implementing the CHPA program.

But like a citrus grower sweating out an icy forecast, Florida cannot yet count on its approach to bear the fruits of universal health coverage and a resulting reduction in medical care cost shifting.

While small businesses increasingly are signing up for coverage, the pace is not blistering: The program's small group market penetration is a meager 2.8%. Many observers blame the slow start on agents. Their initial reception to the program was chilled by the Legislature's early attempt to freeze them out of the distribution system and by the lower commissions they earn selling CHPA cover.

Meanwhile, state funding for the program has been halved this year and will be axed next year. That could force CHPA districts, which help market the program, to charge members higher fees.

What some see as political gamesmanship also threatens to prevent the program from reaching its full potential.

Federal health care regulators have given the state approval to redirect billions of dollars of Medicaid funds into a health care coverage subsidy program for 1.1 million working uninsured, which

See **Florida** *on page 29*

Updates

HMO satisfaction tied to costs

Continued from previous page

anizations and point-of-service plans. The study also compared the operational efficiency and costs of different plans (*BI*, Oct. 31, 1994).

Among other things, the survey found that health plan members enrolled in HMOs are more satisfied with the care they receive than are members of POS plans and PPOs. A large survey spearheaded last year by Xerox Corp., Digital Equipment Corp. and GTE Corp. reached similar conclusions (*BI*, July 11, 1994).

The 7,000 health plan members and 14 employers responding to the CBGH survey gave the health plans high marks for operational performance, including access to care and customer service. However, the group was unable to gauge clinical performance due to the plans' inability to provide sufficient data.

The survey was conducted by Hewitt Associates L.L.C.

Fireman's enriches reserves

NOVATO, Calif.—Fireman's Fund Insurance Co.'s addition last week of $800 million to reserves for environmental liabilities is expected to pressure competitors to do likewise.

The move, which brings Fireman's total environmental reserves to $1.4 billion, should demonstrate that the company is capable of covering its environmental liability for the next 17 years, meaning it has a survival ratio of 17, said Jeff Post, senior vp and chief actuary.

Before the insurer's increase in its pollution liability reserves, the average survival ratio among its peers was seven, said Jack Snyder, senior vp-property casualty for A.M. Best Co. in Oldwick, N.J.

Now Fireman's Fund competitors will be pressured to look for new capital to improve their reserve adequacy at a time when property casualty companies face billions of dollars in pollution claims. Wall Street, insurance buyers and industry rating firms will be judging insurers by the new standard set by Fireman's Fund, Mr. Snyder said.

Fireman's Fund is a unit of Germany's Allianz A.G. Holding, which plans to infuse Fireman's Fund with $500 million in new capital, making the large reserve addition possible.

Coalition wins lower HMO rates

SAN FRANCISCO—Members of the Pacific Business Group on Health will pay lower rates next year for health care at more than a dozen California HMOs, after the PBGH last week negotiated rate reductions averaging 4.3% with 15 HMOs in the state.

Last year, the non-profit group—formerly the Bay Area Business Group on Health—received reductions approaching 10% for 1995 coverage (*BI*, June 27, 1994), said Patricia E. Powers, PBGH executive director and president of the group's Negotiating Alliance. PBGH represents 28 private- and public-sector purchasers. The rates negotiated for 1996 apply to 330,000 California employees, dependents and early retirees as well as 40,000 Medicare-eligible retirees. About $400 million in total premium was negotiated.

Six new companies joined the group's Negotiating Alliance, which formerly comprised 11 companies. Rate reductions were obtained from 13 of the 15 HMOs. Under the bargaining group's structure, each employer independently decides whether to add, terminate or renew HMO contracts. The success of negotiations is encouraging members to add more HMOs to their benefit plans, Ms. Powers said.

Besides rates, the group also negotiates for baseline performance measures in customer service, quality and reporting. Specific targets are set, and 2% of premium may be discounted if the health plans do not meet the performance standards.

"We want to see the targets met and, ideally, exceeded each year," said Ron Kiskis, vp of human resources for Chevron Corp.

TIG taps Kartchner for new unit

NEW YORK—TIG Holdings Inc. has tapped Vickie F. Kartchner to lead a new excess and surplus lines insurance subsidiary it is forming.

Ms. Kartchner will serve as president and chief operating officer of the as-yet-unnamed insurer, which is the same position she held at Scottsdale Insurance Co. before resigning from that surplus lines insurer earlier this month.

The TIG unit, to be headquartered in Phoenix, is expected to begin operations sometime this quarter.

The creation of an excess and surplus lines insurer follows from the company's concentration on specialty commercial lines insurance.

"A lot of our focus has been on this area, and this is a move in that direction," said a spokesman, adding that it was too soon to speculate on the amount and types of coverage to be written.

While no capital commitment has yet been made, the new company will be wholly owned by TIG, the spokesman said.

Ms. Kartchner could not be reached for comment.

Chemical settlement insured

SAN FRANCISCO—General Chemical Corp. has insurance coverage for all but $9 million of $180 million the company has agreed to make available to settle claims and lawsuits resulting from an accidental chemical leak at a Richmond, Calif., plant.

Under the agreement to settle more than 60,000 claims and hundreds of suits filed in Contra Costa County Superior Court, the company and

See **Updates** *on page 38*

Errors & omissions

• The New York Metropolitan Transportation Authority is self-insured for public liability but buys coverage for physical damage and property risks. A June 12 story said the agency was completely self-insured, based on incorrect information supplied by a spokeswoman.

Denial or discrimination?

Patients turn to ADA to receive controversial treatments

By CHRISTINE WOOLSEY

ST. LOUIS—Federal and state anti-discrimination laws are becoming the weapon of choice for plaintiffs attorneys seeking payment of controversial medical treatments excluded by health insurance policies.

If the attorneys are successful, employers and insurers may face a growing wave of lawsuits by health plan members claiming plan exclusions or limited coverage provisions are unfair.

Plaintiffs attorneys increasingly are arguing that denial of controversial treatment—even when a treatment specifically is excluded under a health plan—is a violation of the Americans with Disabilities Act, as well as state and federal civil rights acts (*BI*, Aug. 1, 1994; Jan. 31, 1994).

Missouri courts are grappling with the issue in a case involving high-dose chemotherapy for breast cancer, in which a woman alleges that her group health insurance policy discriminates by paying for HDCT for some cancers but not breast cancer.

On June 16, a three-judge panel of the 8th U.S. Circuit Court of Appeals ordered St. Louis-based Bodine Aluminum Inc. and its health insurer to promise to pay for a woman's HDCT treatment, even though such coverage was excluded specifically under terms of the policy. Treatment had been withheld pending assurances of payment.

That order came on the heels of a June 13 hearing by a federal District Court, which had rejected the plaintiff's request for a preliminary injunction compelling payment. The District Court did not address her claim that the coverage exclusion was discriminatory.

The 8th Circuit panel remanded the case to the lower court for a trial on whether the plaintiff's discrimination claims are valid.

The 8th Circuit panel has yet to issue a written opinion in the case, though, leaving attorneys for both

See **Coverage** *on page 35*

Texas throws out 'junk' evidence

State high court excludes 'unreliable' expert testimony

By MARK A. HOFMANN

AUSTIN, Texas—Expert testimony that is not "scientifically reliable" now can be excluded from liability cases in Texas, thanks to a ruling by the state's highest court.

The 5-4 decision overturns a state appeals court ruling, which had upheld an agricultural consultant's testimony on crop damage in a lawsuit because the defendant had not challenged the consultant's qualifications, only his methodology. The appeals court had reversed a trial court's decision that threw out the consultant's testimony.

The case, *DuPont vs. Robinson*, stems from damage suffered by pecan trees grown by C.R. and Shirley Robinson of Azle, Texas. The Robinsons sued Wilmington, Del.-based E.I. Du Pont de Nemours & Co. Inc., claiming that its Benlate DF fungicide had caused the damage. The Robinsons' sole expert witness was Carl Whitcomb, a former Oklahoma State University professor and for the past decade a consultant.

According to the Texas Supreme Court, Mr. Whitcomb had testified that the fungicide had been contaminated with a number of other substances, including sulfonylurea—or SU—herbicides. The SU, according to Mr. Whitcomb, damaged the Robinsons' orchard.

Allegations of SU contamination have been the focus of several lawsuits against DuPont (*BI*, April 3; Dec. 12, 1994; Oct. 25, 1993).

Mr. Whitcomb based his theory

See **DuPont** *on page 33*

Agents win narrower bank bill

Provision to clarify state regulation

By MARK A. HOFMANN

WASHINGTON—States would retain the power to define what constitutes "insurance" under an amendment to a banking regulatory reform bill likely to be voted on this week by the House Banking Committee.

Inclusion of that language, which would prevent the U.S. Comptroller of the Currency from approving any new insurance activities by banks, represents a significant victory for insurance agents in their long-running battle over banks' incursion into the business of insurance.

Interpreting federal banking law, the comptroller since 1986 has allowed federally chartered banks to sell insurance nationwide from branches in towns with fewer than 5,000 people. The comptroller also has allowed national banks to sell annuities, arguing they are not insurance. Both positions have been challenged in court and ultimately upheld by the U.S. Supreme Court (*BI*, Jan. 30).

The Clinton administration, meanwhile, opposes restrictions on banks' ability to sell insurance. Treasury Secretary Robert Rubin wrote a letter to Banking Committee Chairman James Leach, R-

See **Banks** *on page 37*

Quake interruption losses huge: Study

By SARA MARLEY

The Northridge earthquake caused an additional $6 billion in previously uncalculated business interruption losses, new research contends.

That figure adds about 30% to the $20 billion total damage tab already assigned to the quake, which struck Los Angeles on Jan. 17, 1994.

The Northridge quake, which is the second-costliest natural disaster after Hurricane Andrew, caused $11.7 billion in insured property and business interruption losses, according to the Property Claim Services division of the Rahway, N.J.-based American Insurance Services Group Inc.

Only $2.1 billion of total business interruption loss was confined to the 11 communities directly impacted by the earthquake, according to the study, which was conducted by the Lusk Center Research Institute of the School of Urban and Regional Planning at the University of Southern California in Los Angeles.

Slightly more than that—$2.3 billion—affected other parts of Los Angeles County. The rest of Southern California suffered $900,000 in business interruption losses.

Also, nearly $1.5 billion of the losses were felt outside Southern California, the study finds.

"The previous estimates began the morning after with how many buildings were down," said Peter Gordon, one of the study's authors

See **Northridge** *on page 33*

Inside

• Rep. Cass Ballenger's OSHA reform bill makes sense, this week's editorial says. **PAGE 8**

• Competition is up and rates are down since the 1993 rollout of a California small group reform law. **PAGE 29**

• The United Kingdom plans to privatize its nuclear power industry, despite liabilities. **PAGE 31**

• Private pension funds are an attractive tax target for cash-strapped governments. **PAGE 31**

Departments

Advertiser Index.....28
Classifieds.....34

Directory of EAPs and Mental Health Networks.....12
For the Record.....39
Insurance Services Guide.....35
International.....31
Letters.....8
Opinions.....8
Reader Reply Service.....28

Business Insurance (ISSN 0007-6864) Vol. 29, No. 26, is published weekly by Crain Communications Inc., 740 N. Rush St., Chicago, Ill. 60611-2590. Second-class postage is paid at Chicago and at additional mailing offices. POSTMASTER: Send address changes to *Business Insurance*, Circulation Department, 965 E. Jefferson Ave., Detroit, Mich. 48207. $4 a copy and $80 a year in U.S. $100 in Canada and Mexico (includes GST). All other countries $200 a year (includes expedited air delivery). Canadian Post International Publications Mail Product (Canadian Distribution) Sales Agreement No. 0293512, GST No. 136760444. Printed in U.S.A. Copyright 1995 by Crain Communications Inc.

Mental health care: Solving the cost control puzzle

Trimming benefit costs while improving care

Carve-outs promise mental health savings

By ROBERTO CENICEROS

Employers trying to reduce costs while increasing the assistance available to employees are increasingly carving out managed mental health and substance abuse programs from their overall health care plans.

Carve outs have resulted in significant savings through specialized management and reductions of inappropriate utilization, even in companies that already offer managed health care via health maintenance organizations and preferred provider organizations.

Some companies that have carved out mental health benefits now are looking for even greater administrative savings by using a single vendor for both managed mental health and employee assistance plan services.

In addition, employers are starting to demand high quality care and services as well as low costs from their vendors and providers.

One company with carved out mental health benefits that has consolidated its providers is Memphis, Tenn.-based Federal Express Corp.

"I think we will save somewhere in the neighborhood of 20%, and that is minimum," as a result of the consolidation, said Lu Crowder, manager of benefits case management for FedEx in Nashville, Tenn. "Our savings now are more on administrative costs, not on benefits."

FedEx in January switched to a single vendor for mental health care management and EAP services instead of two separate firms. At the same time, it carved out mental health and substance abuse programs from its self-funded HMO and PPO and enrolled participants into its indemnity plan's mental health specialty program and EAP service.

The expected savings are particularly impressive because the company already was successfully holding down health care cost increases, due to its implementation in 1990 of a carved out managed mental health care program that relied on the previous two vendors.

That 1990 effort followed attempts to control health care costs by limiting benefits.

For many employers, simply limiting mental health and substance abuse benefits was a popular option in the late 1980s when costs were soaring. Since then, many companies with indemnity medical plans have turned to specialty managed care programs for these benefits. That often means carving out management of these benefits by using separate utilization review vendors for mental health and substance abuse benefits.

In 1994, 35% of employers used a separate UR vendor for mental health and substance abuse benefits, up from 25% in 1993, according to a recent survey by consultant A. Foster Higgins & Co. Inc. The use of specialty managed care networks grew even faster. The number of companies that carved out mental health and substance abuse benefits from their medical plans and provided them through a preferred provider network jumped to 19% in 1994, from 7% in 1993, the study found.

These speciality programs typically rely on gatekeepers, which can be employee assistance programs or managed mental health specialty companies. Plan administrators also negotiate discounted fees from provider networks.

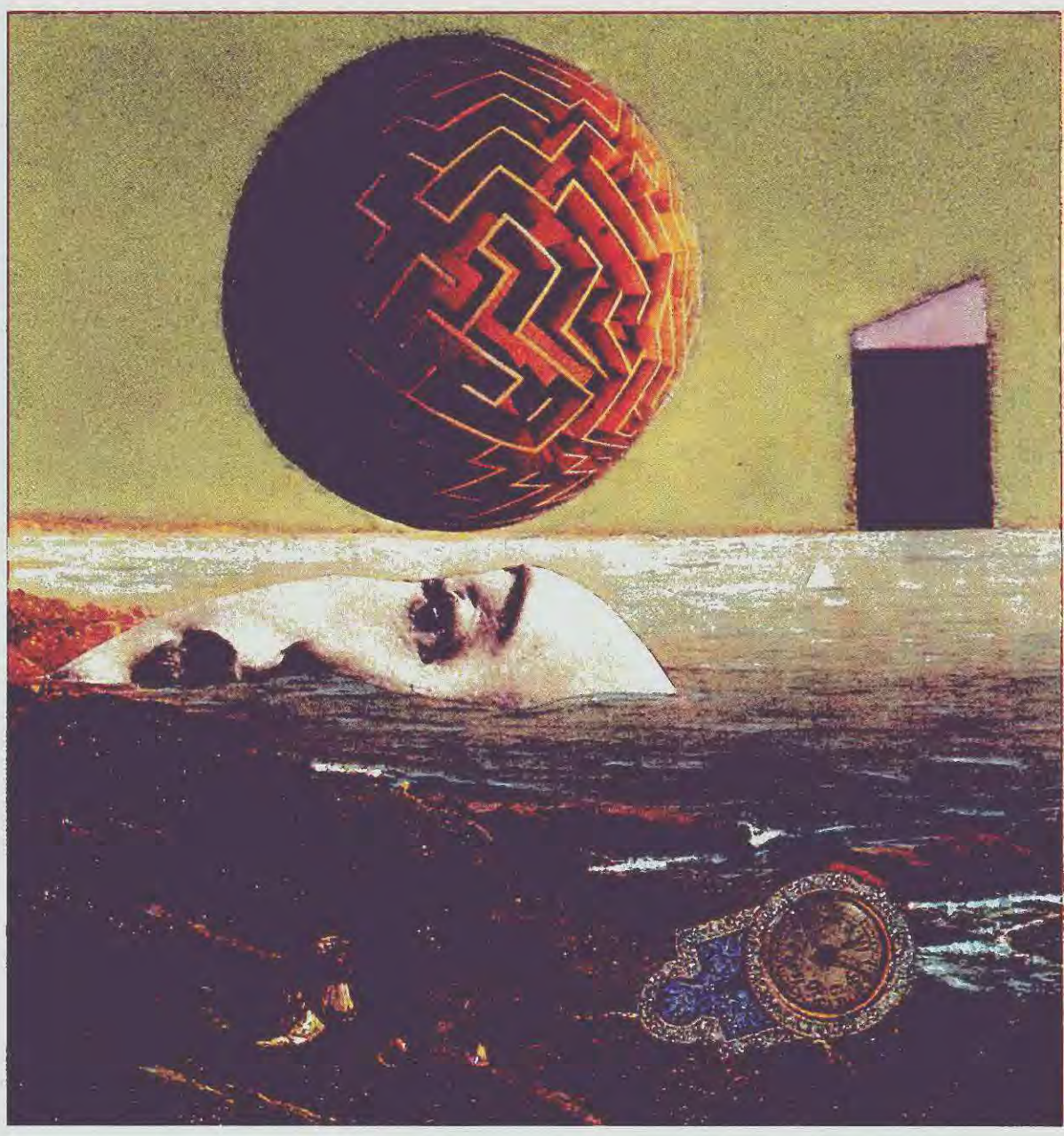
In addition to carving out the management of mental health care, employers are shopping among vendors and putting their business out to bid more often.

One possible explanation for increased employer shopping is that they have recognized substantial savings already from managed care and are seeking additional ways to lower costs, explained Joan Pearson, a principal in Seattle for Towers Perrin. As mental health care costs continue dropping because of managed care, the percentage spent for plan administration has increased, she said.

In the past, when all cost components of mental health were high, the administration component did not appear out of sync, as it does now, Ms. Pearson noted.

"There is growing amount of fee pressure on plan administrators," said Ms. Pearson, who credits plan administrators for introduc-

See **Carve** *on page 6*



Minding workers' mental health

Prescription gatekeepers help reduce misuse of drugs

By JOANNE WOJCIK

Now that antidepressant medications like Prozac are being seen as a panacea for what ails just about everyone, EAPs have begun cracking down on their use—or misuse, as the case may be—by enlisting the help of prescription benefit managers.

PBMs can serve as a prescription drug gatekeeper for mental health benefit and employee assistance programs, just as they do for general health benefit plans, experts say.

In fact, many employers already use PBMs to control the escalating cost of psychotropic drugs like Prozac and Zanax, which often are prescribed for anxiety disorders, according to Robin Weiner, a principal with benefit consultant A. Foster Higgins & Co. Inc. in Los Angeles.

"We just instituted a program for one client that restricted prescription-drug-writing capabilities to only those physicians who have been professionally trained to use them," Ms. Weiner said.

"But we had to restrict the whole class of drugs, not just Prozac," she explained, noting that in cases where a particular medication was restricted, physicians simply substituted another similar drug. "Once we said, 'No, you can't prescribe Prozac,' they didn't. . .literally," she quipped.

One reason Prozac is singled out by PBMs is its growing popularity, which most recently has been fueled by media attention.

Prozac is being touted by some

See **Drugs** *on page 7*

Beyond drug and alcohol abuse

Today's EAPs deal with a proliferation of workplace stresses

By CHRISTINE MANY

Driven by a changing corporate climate that is increasing employees' stress both at work and at home, employee assistance programs are broadening their services to treat a variety of work-related and personal problems.

Although EAPs used to focus mainly on alcohol and drug abuse, today they address stress management, family and marital problems, workplace violence and the emotional disruption that can accompany downsizing, according to a survey by New York-based William M. Mercer Inc.

With this expansion of services, EAPs have lost their stigma as a resource solely for people with drug and alcohol problems and, as a result, are being used by more employees in need of counseling services.

Many employees seek assistance from EAPs for time and stress management problems, said Marilyn Kingston, executive vp of The Holman Group, an EAP vendor in Canoga, Calif.

"A lot of people, women especially, are having a hard time balancing their professional and home lives," she said. "They want to improve the quality of life in both places and they need help learning how to juggle a career and family."

EAPs frequently are called in to help with corporate downsizing and reorganization. Of the 198 companies surveyed by Mercer that have an EAP, 73% said their EAPs cover these workplace concerns.

"There is not a major corporation in America with an EAP that is not going through downsizing," said Richard Sinni, principal and national director of the health management practice at Secaucus, N.J.-based Buck Consultants Inc.

With so many jobs being eliminated, workers feel more pressure than ever to perform. These increased expectations lead to high levels of stress among employees.

"People feel more insecure about their jobs than they did five or 10 years ago," said Gary Metcalf, manager of employee assistance and health promotion programs for oil and gas company Ashland Inc. in Lexington, Ky. "They see people at other corporations losing their jobs and they think they'll be next."

When Aetna Life & Casualty Co. reorganized last spring, its EAP was on hand for every phase of the process. During the planning stage, the EAP staff worked with supervisors on how to break

See **EAPs** *on next page*

Spotlight report

EAPs

Continued from previous page

the news to employees and prepared the supervisors for typical employee responses, said Rick Kinyon, director of the Hartford, Conn.-based insurer's EAP.

In addition to counseling people whose jobs have been eliminated, EAPs also work with "survivors" to help them adjust to the changes and recommit to the organization.

"The employees who aren't let go find themselves with more work and fewer resources to do it with, which leads to more stress," said Beth Gilley, executive vp of Employee Assistance Service Inc., an EAP vendor in McLean, Va.

Employees' rising fears and stress levels can be attributed to the changing nature of corporations and their growing expectations of employees. Companies are not as paternalistic as in the past and want employees to take more responsibility for their careers.

"Employees think their employers are worried more about stockholders than them and they feel they're being left out," said Buck's Mr. Sinni.

Because of the changing corporate environment, more employees are rethinking their careers and seek counseling in this area, said Ms. Gilley.

A growing number of EAPs are responding to another developing employee concern—workplace violence. Increasingly, EAPs are offering workplace violence education and intervention as employee awareness and concern rises.

EAPs help employees cope with fear surrounding workplace violence, intervene in potentially violent situations and assist survivors after an incident occurs. EAP staff also train management on how to minimize the risk of an occurrence and how to handle a violent episode.

Pressure from child and elder care responsibilities also has led many employees to their EAPs. Fifty-two percent of EAPs cover problems relating to the care of elderly relatives and 48% cover child care concerns, according to the Mercer survey.

"Many employees have found themselves being squeezed between generations," said Shael Barger, a consultant specializing in EAPs with William M. Mercer Inc. in San Francisco. "They are responsible for both child and elder care."

Searching for child and elder care can be a very stressful and emotional process, which leads to feelings of guilt for many people, said Ms. Kingston.

Many EAPs minimize the amount of time employees spend searching for child and elder care alternatives by putting them in touch with dependent care resources and referral service providers.

Some EAPs offer resource and referral services for employees caring for people suffering from catastrophic illnesses, such as AIDS and Alzheimer's, and those seeking legal advice.

For example, The Jernberg Corp. provides a legal resource service that employees can call with legal questions. The corporation does not have a lawyer on staff, but it can connect employees with attorneys, said Sally Mann, president of the Worcester, Mass.-based EAP. And employees in need of legal assistance often benefit from the EAP's services as well, she said.

EAPs also are becoming more involved with counseling for compulsive gambling, which has become an escape from workplace stress for an increasing number of employees, said Mr. Metcalf.

"Increase in awareness and programs in companies has reduced casual and experimental drug use, but now people are dealing with problems in different ways," he said.

As EAPs have evolved to meet the changing workplace stresses, their perception among employees has changed. Where many employees in the past refrained from talking about their EAP experiences because they did not want to be branded as alcoholics or drug addicts, now employees feel comfortable talking to co-workers about seeking assistance because of the variety of problems dealt with by EAPs. The increased communication about EAPs in many companies reflects their de-stigmatized status.

And, better communication has led to more self-referrals, said Ms. Barger.

Utilization of EAPs has increased 10% to 15% over the past few years, estimates Buck Consultants' Mr. Sinni.

"The word-of-mouth communication generates years of good track record, reliability and trust for EAPs," said Mr. Kinyon.

Increased media attention and education about chemical dependency and mental health problems also play a major part in the increased utilization of EAPs.

"As a culture, we are much more comfortable seeking problem-solving assistance than we were years ago," said Mr. Kinyon. "There has been an increase in awareness about the prevalence of depression and the ability to control it."

With their growing scope, EAPs must make sure their counselors are trained to properly diagnose and provide appropriate assistance for a wide range of problems.

In some cases, counselors may need more training or education.

To keep up-to-date, counselors in The Holman Group attend monthly and/or quarterly in-service seminars and receive new materials and information on resources from case managers, said Ms. Kingston.

"We also have a big emphasis on training," she said.

All staff members at The Jernberg Corp. are required to attend 1½ hour-long in-service training programs every week. Experts and fellow staff members speak to them about emerging problems and issues, as well as new policies that affect employees and how EAPs should deal with them.

Failing to retrain and educate counselors can lead to serious problems, such as misdiagnosis.

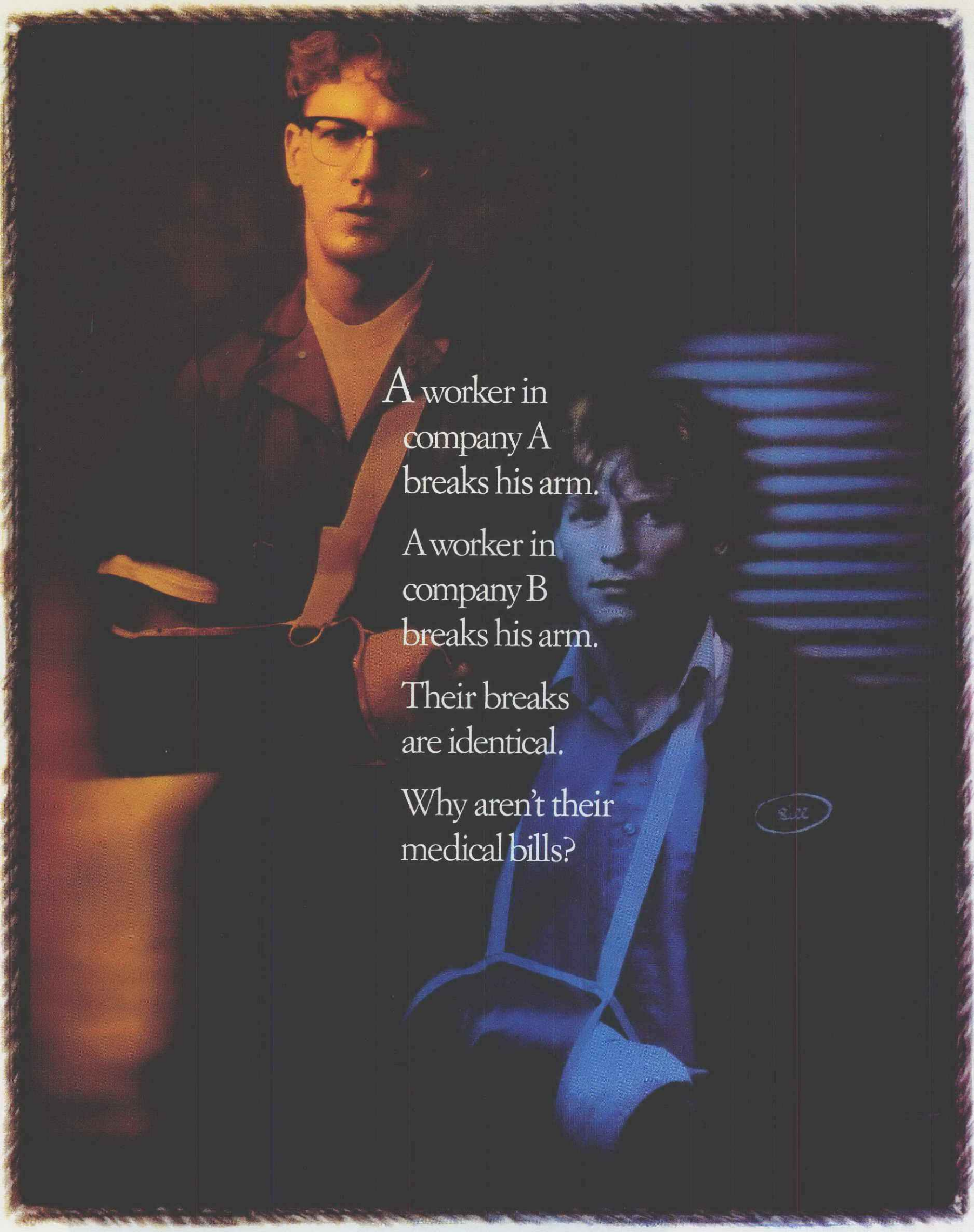
"Some in-house EAPs rely on peer counseling and, though they may be well intentioned, they may not have the proper training to recognize certain problems and deal with them correctly," said Ms. Barger.

The variability of training is problematic, said Dr. Richard Kunnes, national practice leader for managed care with Watson Wyatt Worldwide in Washington.

Although most counselors are certified, "certification doesn't necessarily mean they're properly trained," said Dr. Kunnes, who pointed out that the educational background of counselors in EAPs ranges from a Ph.D. in psychology to a bachelor's degree.

"Given the growing range of problems, I'm concerned that a bachelor's degree may not be enough for that level of professionalism," said Dr. Kunnes. "I would feel more comfortable if they had a master's." BI





With Wausau's ACCURE℠ system, our claim people automatically reduce workers compensation medical bills to allowable state fee schedules, PPO rates, or reasonable and customary charges. In 1994, savings averaged 22%. Efficient, accurate medical cost management.

WAUSAU

Wausau Insurance Companies. 2000 Westwood Dr., Wausau, WI 54401 1-800-320-7771 A+ A.M. Best Rating
Nationwide® Insurance Enterprise

Opinions

Sensible OSHA reforms

CASS BALLENGER, a Republican congressman from North Carolina, deserves more than a little recognition for advocating the application of sound risk management principles to the activities of the Occupational Safety and Health Administration, an entity that a fair number of risk managers may view as the bane of their professional existence.

Rep. Ballenger, chairman of the House Economic and Educational Opportunities Committee's Subcommittee on Workforce Protections, wants nothing less than to subject OSHA regulations to risk assessment and cost/benefit analysis. Toward that end, he introduced a wide-ranging OSHA reform bill earlier this month (*BI*, June 19) and began holding hearings on the measure last week. The Safety and Health Improvement and Regulatory Reform Act of 1995 seeks a total overhaul of OSHA, which Rep. Ballenger said has become "fundamentally misdirected."

Rep. Ballenger, who owns a plastics company, is by no means the first or only public official to call for a reassessment of OSHA. In fact, the bill bore the names of 65 co-sponsors from both parties when the measure was introduced. But what makes his bill so intriguing is that it would attempt to replace cookie-cutter regulation through the use of targeted risk assessment and cost analysis.

The House of Representatives passed a bill earlier this year that would require that most federal regulations having an annual economic impact of $25 million or more be subject to cost/benefit analysis before they are implemented (*BI*, March 6). Rep. Ballenger's bill would specifically subject OSHA to that requirement.

His bill, however, takes the matter a step further by requiring that cost/benefit analysis be undertaken on an industry-specific basis. This is a welcome break with the "one-size-fits-all" regulatory approach taken by many federal and state agencies. It's an economically realistic approach that allows resources to be targeted to the major perils facing individual workplaces.

Targeted risk assessment is not the only attractive aspect of the bill. The reform legislation also would allow employers a grace period to correct certain hazards before being subject to OSHA penalties. And the bill would remove penalties for certain paperwork violations, which have long been a subject of criticism.



Other aspects of the measure—such as mandating that at least half of the agency's budget be set aside for consultation and training programs rather than enforcement activities and that the National Institute for Occupational Safety and Health be rolled into OSHA—are certain to be debated vigorously.

And no one should consider the measure introduced by Rep. Ballenger to be the final word on the matter of OSHA reform. Anything the House approves will have to reconciled with a similar Senate measure, and senators do not share their House counterparts' taste for relatively low economic impact thresholds to trigger risk assessment and cost/benefit analyses.

But even if it's not the final word on OSHA reform, the Ballenger bill is certainly a good place to start. By requiring that regulations be measured against sound risk management principles, the congressman's bill would help assure that resources are targeted to real threats to employee health and safety, which can only mean that the nation's workplaces will be safer workplaces.

Letters

Stop varying health charges according to payer

To the editor: In your June 12 article, "Dialysis Center Contests ESRD Decision," on the legal dispute between National Medical Care Inc. and the Health Care Financing Administration relating to dialysis center costs for retirees with both employer and Medicare coverage, the heart of the matter finally is reached in the last paragraph. NMC admits that the issue is really that group plans pay "usual and customary rates," which are generally higher than Medicare's "artificial rates."

This current situation highlights one of the most serious but least addressed culprits in the entire health care financing debate of the past three years: namely, the fact that providers of care are allowed to vary their charge rates for the exact same services, depending upon who is paying the bill.

This leads inevitably to the evils of cost-shifting, both due to government-imposed differentials and the market-driven arrangements of managed care (more appropriately named managed "price.")

Medical care is better viewed as a form of social utility rather than a totally free, market-driven creature of the law of supply and demand, at least in a society that now has effectively outlawed the basic principles of private insurance as they might have applied in the past.

As such, allowing "favored purchaser" pricing by the providers of medical services creates an inherent instability in a system that cries out for a standard against which to measure quality, service and value.

One of the most effective first steps in transitioning to a system of still private, but far more inclusive, medical care provision and finance is to move to an "all payer" system wherein providers are free to set their rates for specified services where they wish, up to a government determined maximum, but with the limitation that they must charge that same amount to all who walk in the door. Period.

Yes, a proposal such as this would give birth to a major debate over the role of the government in setting such rate levels and having to pay its "fair share" of medical costs instead of the past and current practice of shifting costs to the society as a whole (attempting to avoid budget responsibility), and would test the credibility of unmasked managed care players scurrying to protect their unfair advantage.

But, in conjunction with requiring everyone to have coverage and liberalizing "underwriting" and portability rules to open access to insurance, such a move would allow for the real possibility of solving the health care access and finance crisis that still lurks beneath the apparent calm of politically convenient reform stability.

Hobson Carroll
MedRisk International
Minneapolis

Business Insurance welcomes letters to the editor. This section is intended to be a forum for readers' opinions and comments. We reserve the right to edit letters for clarity or space. We will not publish unsigned letters. Please send your letters to Letters to the Editor, Business Insurance, 740 N. Rush St., Chicago, Ill. 60611. Fax: 312-280-3174.

Business Insurance®
Reporting weekly for corporate risk, employee benefit and financial executives

Vice President/ Publisher/Editorial Director:	Kathy L. McIntyre, A.R.M. (Chicago)
Editor:	Paul D. Winston (Chicago)
Editor-at-Large:	Jerry Geisel (Washington)
Managing Editor:	Timothy Stanton (Chicago)
International Editor:	Stacy Shapiro (London)
Senior Editors:	Meg Fletcher, A.R.M. (Chicago)
	Judy Greenwald (San Jose)
	Dave Lenckus (Chicago)
	Douglas McLeod (New York)
	Joanne Wojcik (Los Angeles)
Assistant Managing Editor/News:	Roseanne White (Chicago)
Assistant Managing Editor/ Spotlight Reports:	Christine Woolsey (Chicago)
Bureau Chief:	Michael Schachner (New York)
Graphics Editor:	Eric J. Williams (Chicago)
Copy Editors:	Regis J. Coccio (Chicago)
	Sara J. Harty (Chicago)
Assistant Copy Editor:	Kerry A. Dziubek (Chicago)
Associate Editors:	Deborah Shalowitz Cowans (Chicago)
	Roberto Ceniceros (Los Angeles)
	Mark A. Hofmann (Washington)
	Sara Marley (Chicago)
	Sally Roberts (Chicago)
	Gavin Souter (New York)
	Rodd Zolkos (Chicago)
Directory Editor:	Kathy Welyki (Chicago)
Assistant Directory Editor:	Rich Trout (Chicago)
Editorial Assistant:	Ovie Dent (Chicago)
Assistant to the Publisher:	Karen Brown Tucker (Chicago)
Editorial Cartoonist	Roger Schillerstrom (Chicago)
Advertising Director:	Martin J. Ross III (New York)
Eastern Advertising Manager:	Stephen P. Lincoln (New York)
Midwest Advertising Manager:	Robert L. Niesse (Chicago)
District Managers:	Cynthia Bykowski (New York)
	Blake Delany (New York)
	Barrie Harmelin (New York)
	Charles A. Horvath (New York)
	Deborah D. Neale (Chicago)
Sales Assistant	Lori Lieberman (Los Angeles)
Classified Advertising Manager:	Cheryl Butler (Chicago)
Production Manager:	Elmer Kerslowske (Chicago)
Director of Communications:	Ronnie I. Drachman (New York)
Promotion Coordinator:	Barbara O'Brien (New York)

EDITORIAL:	Chicago:	312-649-5398
	London:	171-608-1172
	Los Angeles:	213-651-3710
	New York:	212-210-0100
	San Jose:	408-379-1790
	Washington:	202-662-7200
ADVERTISING:	New York:	212-210-0228
	Chicago:	312-649-5276
	Los Angeles:	213-651-3710
COMMUNICATIONS:	New York:	212-210-0132
SUBSCRIPTIONS:	Detroit:	800-678-9595

Published by Crain Communications, Inc., Chicago

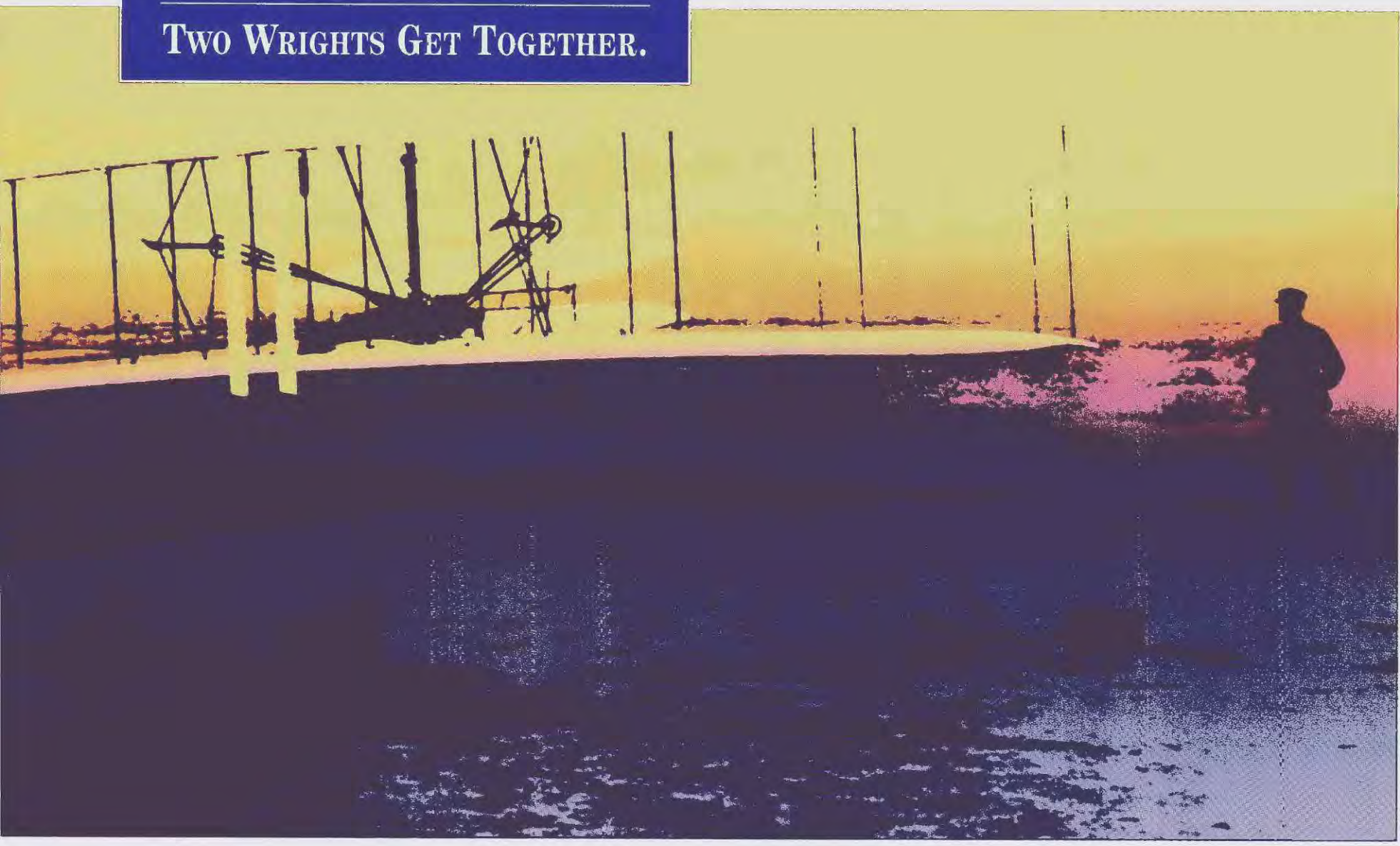
Founder	G.D. Crain Jr.(1885-1973)
Chairman	Mrs. G.D. Crain
Vice chairman	Keith Crain
President	Rance Crain
Chairman-executive committee	S.R. Bernstein (1907-1993)
Treasurer	Mary Kay Crain
Secretary	Merrilee P. Crain
Executive Vice president-operations	William A. Morrow
Vice president-production	Robert C. Adams
Circulation director	Peter J. Johnson

Published weekly at 740 Rush St., Chicago Ill. 60611-2590, Telex 6871241, Fax 312/280-3174, Cable CRAINCOM. Offices: 220 E. 42nd St., New York, N.Y. 10017-5806, Fax 212/210-0704, CRAIN COM NYK; Suite 814, National Press Building, Washington, D.C. 20045-1801, Fax 202/638-3155; 6500 Wilshire Blvd. Suite 2300 Los Angeles, Calif. 90048-4947, Fax 213/655-8157; 540 Latimer Circle, Campbell, Calif. 95008, Fax 408/379-3257; Cowcross Court, 2nd Floor 75-77 Cowcross St., London EC1M 6BP, England, Fax 71/608/1173. $4 a copy $80 a year in U.S. $100 in Canada and Mexico (includes GST). All other countries $200/yr (includes expedited air delivery). DAVE KELLEY, circulation manager. Four weeks' notice required for change of address. Send subscription correspondence to Circulation Department Business Insurance, 965 E. Jefferson Ave., Detroit, Mich., 48207-3185, or phone 800-678-9595 or 313-446-0450, Fax 313/446-6777. Microfilm copies are available from University Microfilms, 300 Zeeb Road, Ann Arbor, Mich. 48013. Microfiche copies available: Bell & Howell, Micro Photo Division, Old Mansfield Road, Wooster Ohio 44691. Portions of the editorial content of this issue are available for reprint or reproduction in other media. For information and rates to reproduce in general circulation media, contact JOSEPH P. HANLEY, Crain News Service, 220 E. 42nd St., New York N.Y. 10017-5806, 212-254-0890. For reprints or reprint permission contact: KAREN BROWN TUCKER, Business Insurance 740 N. Rush St. Chicago, Ill. 60611-2590, 312-649-5319, Fax 312/280-3174.

TO SUBSCRIBE TO THE WORLD'S LEADING COMMERCIAL INSURANCE PUBLICATION, CALL
800-678-9595
313-446-0450 outside of the United States

BPA INTERNATIONAL © Member of Business Publications Audit of Circulation ABP

Amazing What Happens When Two Wrights Get Together.



In the beginning, business went in cycles; over time, it soared. Orville and Wilbur Wright always knew that hard work, integrity and a lot of vision would take their ideas to new heights. But they never dreamed the standards set at Kitty Hawk would eventually change America, and the world.

We're Met DisAbility. And we too have a vision. A vision that our commitment to customer service, responsiveness and innovation will lead to new standards in group disability coverage. A vision completely focused on managed disability, and strengthened through the MetLife acquisition of Travelers Managed Disability Services.

At Met DisAbility, we're ready to put our expertise to work for all your disability needs. Because when two Wrights get together, the sky's the limit.

Met DisAbility

We put abilities to work℠

1-800-METLIFE

H9504GKF(exp0496)MLIC-LD ©1995 Metropolitan Life Insurance Co., One Madison Ave., NY, NY



FOR LONG-TERM DISABILITY THAT'S UNPARALLELED,

In your search for superior employee coverage and breakthrough cost-containment solutions, you'll discover the road leads to Fortis. In becoming the second-largest provider of Group Long-Term Disability insurance, Fortis Benefits has paved the way with new product designs that manage the full disability continuum and provide powerful incentives for employees to return to work.*

For example, Fortis Benefits pioneered the concept of Value Options. An innovation in LTD coverage, Value Options can potentially cut employer costs up to 35% by designing specific limited-duration coverage for new disabilities such as chronic fatigue syndrome and environmental allergic illness.

And when it comes to getting your employees back to work, Fortis leads the way with a unique Return to Work Scale that statistically and scientifically evaluates new claims and predicts rehabilitation success. By

*Employee Benefit Plan Review, April 1995 based on the number of master contracts in force.

Long-term disability insurance contracts are issued and underwritten by Fortis Benefits Insurance Company, Kansas City, MO and Woodbury, MN and, in New York State, First Fortis Life Insurance Company, Syracuse, NY. Other insurance contracts are issued and underwritten by these insurance companies and by Time Insurance Company, Milwaukee, WI. Securities offered through Fortis Investors, Inc., St. Paul, MN 55164, 1-800-800-2638. ©1995 Fortis, Inc. Fortis and Fortis® are service marks of Fortis AMEV and Fortis AG.



THERE'S ONLY ONE PLACE TO GO.

evaluating claims quickly, Fortis can direct rehabilitation resources where most appropriate and effective. This proprietary system, combined with incentives like payment of educational and/or child care expenses and vocational or job retraining assistance, helps employees get back to work as quickly as possible while lowering your costs.

And in a world of voice mail and institutionalized buck-passing, Fortis Benefits is quick, responsive and dedicated to treating you like a person.

Part of a worldwide financial services organization 178 years old and $125 billion strong, Fortis Benefits not only believes in the value of long-term relationships, but also understands how they turn into long-term results. It's this approach to long-term thinking that has elevated Fortis Benefits to its leadership position in employee benefits.

For Long-Term Disability coverage with a difference, find out what Fortis thinks. Call them at 1-800-377-7282

fortis

SOLID ANSWERS FOR A CHANGING WORLD®

MUTUAL FUNDS/ANNUITIES · LIFE INSURANCE · HEALTH CARE PLANS · LONG-TERM CARE INSURANCE · EMPLOYEE BENEFITS

Directory of employee assistance program vendors

A

Advantage E.A.P.

1437 Blossom Road, Rochester, N.Y. 14610; 716-288-6272; fax: 716-288-2756

Staff

Salaried employees 6
Includes: 3 psychologists, 1 social worker, 1 marriage/family/child counselor

Facilities

Total 1

EAP clients

Total 325
Lives covered at year-end 1994 30,000
Employees 15,000
Dependents 15,000

For profit.

Assessments & treatments: Stress, occupational problems, family/marital problems, suicide, alcohol abuse, drug/chemical abuse, financial concerns, adolescent treatment, critical incident stress debriefing, geriatric evaluations.

Health promotion: Smoking cessation, stress management, alcohol awareness, drug/chemical awareness, AIDS awareness, elder care, physical fitness/exercise.

Educational/general services: Employee education, supervisor training, workplace problem identification, psychiatric disability review, psychiatric workers comp review, pre-retirement counseling.

Utilization review: Concurrent review, case management.

Counseling sites: Worksites, EAP facilities, phone counseling.

Specialties: Services for HMOs, managed care providers, insurance companies, Social Security Department, manufacturers, educational institutions, banking, airlines, hospitals.

Service area: New York: Genesee, Livingston, Monroe, Ontarion, Orleans and Wayne counties.

Reporting: By request.

Billing: Flat fee; fee for service.

Officers: Dr. Matthew A. Kawiak, clinical director.

Affiliated Healthcare Systems

30 Summer St., Suite 1, Bangor, Maine 04401; 207-942-0472; fax: 207-941-0873

Staff

Salaried emplcyees 6.5
Includes: 3 social workers, 3.5 marriage/family/child counselors
Contracted professionals 100
Includes: 2 psychologists, 48 social workers, 50 marriage/family/child counselors

EAP clients

Total 55
Lives covered at year-end 1994 175,000
Employees 55,000
Dependents 120,000

1994 revenues

Total $775,000
EAP services 95%

Services began: 1982.

For profit.

Assessments & treatments: Standard services, elder care.

Health promotion: Stress management, alcohol awareness, drug/chemical awareness.

Educational/general services: Standard services, including workplace change/downsizing.

Utilization review: Inpatient and outpatient precertification.

Counseling sites: Worksites, EAP facilities.

Service area: Connecticut, Maine, Massachusetts, New Hampshire, New York, Rhode Island, Vermont.

Reporting: Annually.

Billing: Capitated fee; retainer plus service fees.

Officers: Frank Hannon, president; Miles Theeman, executive vp; Robert Tourangeou, director-network services; Richard Stevens, Elizabeth Ashe, directors-training.

Contact: Miles Theeman.

Alternatives

3100 Broadway, Kansas City, Mo. 64111; 816-753-8282; fax: 816-531-5709

Staff

Salaried employees 7
Includes: 1 psychologist, 2 marriage/family/child counselors, 3 professional/mental health counselors
Contracted professionals 15
Includes: 5 psychologists, 5 social workers, 5 marriage/family/child counselors

Facilities

Total 8

EAP clients

Total 25
Lives covered at year-end 1994 16,200
Employees 9,000
Dependents 7,200

Services began: 1982.

Parent: Occupational Health Services Inc.

For profit.

Assessments & treatments: Standard services, including sexual abuse.

Health promotion: Standard services, including physical fitness/exercise.

Educational/general services: Standard services, including psychiatric disability review, psychiatric workers comp review, testing for pre-employment, fit for duty, learning problems, team building and career guidance.

Counseling sites: Worksites, EAP facilities, physicians' offices, phone counseling.

Service area: Kansas: Johnson County; Missouri: Jackson County.

Reporting: Quarterly, annually, by request.

Billing: Flat fee; capitated fee; fee for service.

Officers: Laura Geisel, COO; Mindy Zoller, clinical director.

Archeus Inc.

3 First National Plaza, Suite 1400, Chicago, Ill. 60602; 312-461-1907; fax: 312-467-3828

Staff

Salaried employees 12
Includes: 6 social workers, 4 professional/mental health counselors
Contracted professionals 8
Includes: 2 psychiatrists, 4 psychologists, 2 social workers

EAP clients

Total 45
Lives covered at year-end 1994 200,000
Employees 100,000
Dependents 100,000

1994 revenues

Total $350,000
EAP services 100%

Services began: 1968.

For profit.

Assessments & treatments: Standard services, including critical incident, violence.

Health promotion: Stress management, alcohol awareness, drug/chemical awareness, AIDS awareness, elder care.

Educational/general services: Standard services.

Counseling sites: Worksites, EAP facilities, phone counseling.

Service area: Nationwide.

Reporting: Quarterly.

Billing: Capitated fee.

Officers: Sterling Minturn, president; Larry Finder, vp.

Contact: Larry Finder.

B

BEMW Inc., Counseling & Training for the Workplace

7984D Old Georgetown Road, Bethesda, Md. 20814; 301-657-8922; fax: 301-657-8924

Staff

Salaried employees 5
Includes: 2 social workers, 1 professional/mental health counselor
Contracted professionals 6
Includes: 6 social workers

Continued on next page

WE'VE ERASED THE WAY WE TESTED.



Now you can sharpen your career without sharpening your pencil with new computer-based testing offered by the Certified Employee Benefit Specialist™ (CEBS) program.

Using leading technology from Educational Testing Service (ETS), CEBS computer-based testing is easy to use and provides immediate scoring. CEBS exams will now be offered at your convenience at nearly 250 locations—you pick the date and time. And instead of large classroom settings, you'll also have the advantage of more personalized comfort and security.

Under the continuing academic direction of the Wharton School of the University of Pennsylvania, the ten-course curriculum provides comprehensive coverage of benefit concepts and principles. CEBS tests have not changed in content—they're still not easy, but they will be a lot easier to take.

For more information, contact the CEBS Department of the International Foundation of Employee Benefit Plans.

CEBS®

International Foundation of Employee Benefit Plans
18700 W. Bluemound Rd., P.O. Box 1270
Brookfield, WI 53008-1270
Telephone (414) 786-6700
Fax (414) 786-8650

NEW COMPUTER-BASED CEBS TESTING BEGINS JANUARY 1996!

Continued from previous page

EAP clients

Total 4
Lives covered at year-end 1994 12,000
EAP services 80%

Services began: 1984.
For profit.
Assessments & treatments: Standard services, excluding adolescent treatment.
Health promotion: Standard services, excluding nutrition/weight control.
Educational/general services: Standard services.
Counseling sites: Worksites, EAP facilities, phone counseling.
Specialties: Government, property management, small businesses.
Service area: District of Columbia, Maryland, Virginia.
Reporting: Monthly, quarterly, by request.
Billing: Flat fee; capitated fee.
Officers: Irene N. Mendelson, president; Sander H. Mendelson, treasurer.
Contact: Irene N. Mendelson.

Breining Institute

8880 Greenback Lane, Orangevale, Calif. 95662; 916-987-0662; fax: 916-987-8823

Services began: 1986.
For profit.
Assessments & treatments: Alcohol abuse, drug/chemical abuse, co-dependency issues.
Health promotion: Alcohol awareness, drug/chemical awareness, AIDS awareness.
Educational/general services: Supervisor training.
Counseling sites: EAP facilities.
Specialties: Small business, local unions.
Service area: California: El Dorado, Placer and Sacramento counties.
Reporting: By request.
Billing: Flat fee; fee for service.
Officers: Michael J. Breining, president/treasurer; Kathy C. Breining, vp/secretary.

C

C-A-B Consultants Inc.

4921 Butterfield Road, Hillside, Ill. 60162; 708-449-2221; fax: 708-449-2223

Staff

Salaried employees 3
Includes: 1 physician
Contracted professionals 6

Services began: 1985.
For profit.
Health promotion: Standard services, excluding smoking cessation and elder care.
Educational/general services: Standard services, excluding drug-free workplace adherence services.
Counseling sites: Worksites.
Service area: Chicago area.
Billing: Fee for service.
Officers: Carol Bacon, president; Dr. Steven K. White, medical director.

Catholic Human Services

1000 Hastings St., Traverse City, Mich. 49684; 616-947-8110; fax: 616-947-3522

Staff

Salaried employees 110
Includes: 4 psychologists, 18 social workers
Contracted professionals 2
Includes: 1 psychiatrist, 1 physician

Facilities

Total 18

EAP clients

Total 60
Lives covered at year-end 1994 34,000
Employees 8,500
Dependents 25,500

1994 revenues

Total $75,000
EAP services 100%

Services began: 1974.
Not for profit.
Assessments & treatments: Standard services.
Health promotion: Stress management, alcohol awareness, drug/chemical awareness, AIDS awareness, elder care.
Educational/general services: Standard services.
Counseling sites: Worksites.
Service area: Michigan: 21 northern counties in the lower peninsula.
Reporting: Quarterly.
Billing: Flat fee; capitated fee; fee for service.
Officers: Chuck Veeser, executive director; Dave Martin, Jim Skiera, Dennis Dugan and Tom LaCross, area managers.
Contact: Bill Wares, EAP coordinator.

The Center for Employee Assistance

10335 W. Oklahoma Ave., Milwaukee, Wis. 53227; 414-327-7017; fax: 414-327-1154

Staff

Salaried employees 50
Includes: 4 psychiatrists, 10 psychologists, 25 social workers, 31 marriage/family/child counselors, 35 professional/mental health counselors
Contracted professionals 8
Includes: 1 psychiatrist, 7 psychologists

EAP clients

Total 33
Lives covered at year-end 1994 29,500
Employees 11,800

1994 revenues

EAP services 100%

Services began: 1982.
Parent: Covenant Healthcare.
Not for profit.
Assessments & treatments: Standard services, including eating disorders, conflict resolution, communication skills.
Health promotion: Smoking cessation, stress management, alcohol awareness, drug/chemical awareness.
Educational/general services: Standard services.
Utilization review: Standard services.
Counseling sites: Worksites, EAP facilities, phone counseling.
Specialties: Hospitals, municipalities, transportation industry, food industry, manufacturers, service organizations, colleges.
Service area: Wisconsin: Kenosha, Milwaukee, Ozaukee, Racine and Waukesha counties.
Reporting: Monthly, quarterly, annually, by request.
Billing: Flat fee; capitated fee; fee for service.
Officers: Lawrence L. Neuser, president; Maryann Gorski, director; Jon Christensen, associate director.
Contact: Maryann Gorski.

Ann Clark Associates

4275 Executive Square, Suite 800, LaJolla, Calif. 92037; 619-452-1254; fax: 619-452-7819

Staff

Salaried employees 3
Includes: 2 marriage/family/child counselors
Contracted professionals 10
Includes: 1 psychiatrist, 3 psychologists, 2 social workers, 5 marriage/family/child counselors

EAP clients

Total 12
Lives covered at year-end 1994 5,600
Employees 3,600
Dependents 2,000

1994 revenues

Total $300,000
EAP services 75%

Services began: 1987.
For profit.
Assessments & treatments: Standard services.
Health promotion: Standard services, excluding AIDS awareness and elder care.
Educational/general services: Standard services.
Counseling sites: Worksites, EAP facilities, physicians' offices, phone counseling.
Service area: Nationwide.
Reporting: Quarterly, annually.
Billing: Capitated fee, $29-$35 per employee per year.
Officers: Ann Clark, CEO; Tandice Tinney, secretary; Mark Kaupp, vp-sales/marketing.
Contact: Tandice Tinney.

Comprehensive EAP Inc.

5 Militia Drive, Lexington, Mass. 02173; 617-863-8283

Staff

Salaried employees 2
Includes: 1 psychologist, 1 professional/mental health counselor
Contracted professionals 17
Includes: 5 psychologists, 12 social workers

EAP clients

Total 14
Lives covered at year-end 1994 15,000
Employees 6,000
Dependents 9,000

For profit.
Assessments & treatments: Standard services.
Health promotion: Stress management, alcohol awareness, drug/chemical awareness.
Educational/general services: Standard services.
Utilization review: Case management.
Counseling sites: Selected worksites, EAP facilities.
Specialties: High-tech, banking and manufacturing industries.
Service area: Massachusetts.
Reporting: Quarterly.
Billing: Capitated fee, $34 per employee per year.
Officers: Mark Sagor, president; J. Robert Kagey, clinical director.

Corporate Counseling Associates Inc.

475 Park Ave. S., New York, N.Y. 10016; 212-686-6827; fax: 212-686-6511

Staff

Salaried employees 20
Contracted professionals 200

EAP clients

Total 65
Lives covered at year-end 1994 270,000
Employees 90,000
Dependents 180,000

Services began: 1975.
For profit.
Assessments & treatments: Standard services, excluding adolescent treatment.
Health promotion: Standard services, excluding smoking cessation and physical fitness/exercise.
Educational/general services: Supervisor training, drug-free workplace adherence.
Counseling sites: Selected worksites, EAP facilities.
Specialties: Publishing, advertising, entertainment and financial institutions.
Service area: Nationwide.
Reporting: Quarterly, by request.
Billing: Capitated fee; fee for service.
Contact: Georgia Critsimilios, marketing director.

D

Directions EAP

2221 S. 17th St., Suite 406, Lincoln, Neb. 68502; 402-473-5998; fax: 402-473-5579

Staff

Salaried employees 5
Includes: 3 marriage/family/child counselors

EAP clients

Total 36
Lives covered at year-end 1994* 11,250
Employees 4,500
** Company estimate.*

Services began: 1982.
Parent: Lincoln General Hospital.
Not for profit.
Assessments & treatments: Standard services, including grief-related services.
Health promotion: Standard services, excluding AIDS awareness and elder care.
Educational/general services: Standard services, organizational change.
Utilization review: Inpatient and outpatient precertification.
Counseling sites: EAP facilities, education and training services at worksites.
Service area: Iowa, Kansas, Missouri, Nebraska, South Dakota, Wisconsin.
Reporting: Monthly.
Billing: Capitated fee; fee for service.
Contact: Mike Reynolds, director.

E

Employee Advisory Resource (EAR)

8100 34th Ave. S., Minneapolis, Minn. 55425-1640; 800-788-1949; fax: 612-853-4787

Staff

Salaried employees 156
Includes: 7 psychologists, 13 social workers, 90 professional/mental health counselors
Contracted professionals 1,300

Facilities

Total 700

EAP clients

Total 1,000
Lives covered at year-end 1994 3,700,000
Employees 1,200,000
Dependents 2,500,000

1994 revenues

Total* $800,000,000
** Includes Ceridian Employer Services.*

Services began: 1974.
Parent: Ceridian Corp.
For profit.
Assessments & treatments: Standard services, including elder care.
Health promotion: Stress management, alcohol awareness, elder care, health risk assessment.
Educational/general services: Supervisor training, drug-free workplace adherence, workplace problem identification, workers compensation/disability interface, child care services/referrals.
Utilization review: Standard services, including network options.
Counseling sites: Worksites, EAP facilities, phone counseling, employer customized arrangements.
Service area: United States, Canada, Puerto Rico, United Kingdom.
Reporting: Quarterly, annually, by request.
Billing: Capitated fee; fee for service; utilization-based fees.
Officers: David Robinson, general manager; Ken Larsen, marketing manager; Stephan Ruff, sales director; Pat Sommers, president.
Contact: Ken Larsen.

Employee Assistance Program Consultants Inc.

3330 Flechtner Drive, Fargo, N.D. 58103; 701-235-4440; fax: 701-235-0306

Staff

Salaried employees 8
Includes: 1 marriage/family/child counselor, 3 professional/mental health counselors
Contracted professionals ..... NA

EAP clients

Total 110
Lives covered at year-end 1994 94,000
Employees 27,000
Dependents 67,000

Services began: 1984.
For profit.
Assessments & treatments: Standard services.
Health promotion: Stress management, alcohol awareness, drug/chemical awareness.
Educational/general services: Standard services.
Counseling sites: Worksites, EAP facilities, phone counseling.
Service area: Minnesota, North Dakota, South Dakota.
Reporting: Quarterly, annually, by request.
Billing: Capitated fee.
Officers: Bill Kippley, president; Larry L. Johnson, Kathy Marcil, vps.

F

Family Service Assn. of Greater Lawrence, EAP

430 N. Canal St., Lawrence, Mass. 01840; 508-683-9505; fax: 508-683-1026

Staff

Salaried employees 16.25
Includes: 0.25 psychiatrists, 1 psychologist, 10 social workers, 5 marriage/family/child counselors
Contracted professionals 3
Includes: 3 social workers

EAP clients

Total 20

Services began: 1988.
Not for profit.
Assessments & treatments: Standard services, including elder care/care giver issues.
Health promotion: Standard services, excluding smoking cessation.
Educational/general services: Employee education, supervisor training, drug-free workplace adherence, sexual harassment prevention, trauma response services.
Counseling sites: Worksites, EAP facilities.
Service area: Massachusetts: Essex County; southern New Hampshire. Affiliated nationally with Family Service Network.
Reporting: Quarterly, semi-annually.
Billing: Capitated fee.
Officers: Kay Frishman, executive director; John Zielin, assistant director; Leonard DeBenedictis, EAP director.
Contact: Leonard DeBenedictis.

Family Service Mid-Peninsula —Services to Industry

375 Cambridge, Palo Alto, Calif. 94062; 415-326-9890; fax: 415-326-1340

Staff

Salaried employees 16.25
Includes: 1 psychiatrist, 1 psychologist, 10 social workers, 5 marriage/family/child counselors
Contracted professionals 9
Includes: 4 social workers, 5 marriage/family/child counselors

Facilities

Total 2

EAP clients

Total 8
Lives covered at year-end 1994 25,000
Employees 10,000
Dependents 15,000

Services began: 1980.
Parent: Family Service America.
Not for profit.
Assessments & treatments: Standard services, child issues, domestic violence.
Health promotion: Stress management, alcohol awareness, elder care.
Educational/general services: Standard services.
Utilization review: Inpatient precertification, case management.

Continued on next page

EAP and managed mental health care provider directory explained

The fifth annual *Business Insurance* directory of employee assistance programs and managed mental health care providers lists organizations that provide these services directly to employers on a stand-alone basis.

Business Insurance defines an employee assistance program as providing counseling and training to assist employees in the identification and resolution of personal problems, which may include referrals to specialists for treatment.

Managed mental health care networks provide integrated mental health care services, including assessments and treatments. Services may be provided through both network and contracted facilities/providers.

The EAP and managed mental health care provider listings appear in separate sections. All organizations listed in the managed mental health care section offer EAP services, unless noted.

Listings begin with company name and address. Information on **staff** (given in full-time equivalents for year-end 1994) appears in two sections—salaried employees and contracted professionals. Each section includes the total number of members providing EAP/managed mental health services and a breakdown of clinical staff/providers by profession.

Number of participating **facilities** includes hospitals, treatment centers and halfway houses. **Clients** includes the total number of employer clients served and lives covered at year-end 1994. When reported by the organization, **1994 gross revenues** are included. The year **services began, parent** company (if any) and whether the organization is for profit are also listed.

Services available are listed under three categories—assessment and treatment; health promotion; and educational/general services. Unless noted, standard **assessments and treatments** include stress, occupational problems, family/marital problems, suicide, alcohol abuse, legal problems, drug/chemical abuse, financial concerns and adolescent treatment. Standard **health promotion services** include smoking cessation, nutrition/weight control, stress management, alcohol awareness, drug/chemical awareness, AIDS awareness and elder care. Standard **educational/general services** include employee education, supervisor training, drug-free workplace regulatory adherence and workplace problem identification.

Utilization review services are noted next. Unless noted, standard services include inpatient and outpatient precertification, concurrent review and case management.

Sites of counseling and treatment are listed next. **Specialties** include particular industries the organization services.

The geographic **service area** is given by state and county, followed by reporting and billing methods. **Officers** and a **contact** person for those seeking more information complete the listings.

Listings are responses to a *Business Insurance* questionnaire. The directory is published as an editorial service; there is no charge to be included. Although every effort is made to publish complete and accurate listings, *BI* is unable to verify all information.

To be included in next year's directory of EAPs and managed mental health care providers, please write to Rich Trout, *Business Insurance*, 740 N. Rush St., Chicago, Ill. 60611-2590.

Continued from previous page

Counseling sites: Worksites, EAP facilities.

Reporting: Quarterly.

Billing: Flat fee; capitated fee; fee for service.

Officers: Jeanne Labozetta, CEO; Julie Daul, program services; Leon Beeler, CFO; M.J. Loughran, director-Services to Industry.

Contact: M.J. Loughran.

G

Kathleen Greer Associates

161 Worcester Road, The Meadows, Framingham, Mass. 01701; 508-879-2093; fax: 508-875-5574

Staff

Salaried employees....5
Includes: 2 social workers, 3 professional/mental health counselors

Contracted professionals....200
Includes: 10 psychologists, 180 social workers, 10 professional/mental health counselors

EAP clients

Total....23
Lives covered at year-end 1994....20,000
Employees....7,000
Dependents....13,000

1994 revenues

EAP services....80%

Services began: 1982.

For profit.

Assessments & treatments: Standard services, including career issues.

Health promotion: Nutrition/weight control, stress management, alcohol awareness, drug/chemical awareness, AIDS awareness.

Educational/general services: Standard services, including time management, sexual harassment prevention, career planning.

Utilization review: Inpatient and outpatient precertification, case management.

Counseling sites: Worksites, EAP facilities.

Specialties: High-tech.

Service area: New England.

Reporting: Quarterly.

Billing: Capitated fee, $3-$6 per employee per month.

Officers: Kathleen Greer, president.

H

Health Management Corp.

6800 Paragon Place, Richmond, Va. 23230; 800-523-9279

Staff

Salaried employees....21
Contracted professionals....1,533
Includes: 464 psychologists, 723 social workers, 330 marriage/family/child counselors, 16 professional/mental health counselors

EAP clients

Total....44
Lives covered at year-end 1994....22,500
Employees....14,500
Dependents....8,000

Mental health network clients

Total....2
Lives covered at year-end 1994....8,000
Employees....4,500
Dependents....3,500

Parent: Trigon Blue Cross Blue Shield.

For profit.

Assessments & treatments: Standard services.

Health promotion: Smoking cessation, nutrition/weight control, stress management, prenatal services, chronic disease management.

Educational/general services: Employee education, supervisor training, critical incident debriefing.

Counseling sites: Worksites, physicians' offices, phone counseling.

Service area: 48 states and Canada.

Reporting: Quarterly, semi-annually.

Billing: Capitated fee, $2.16 per employee per month.

Officers: Marcia Rowan, president; Rhonda Day, Elizabeth W. Smith and Robin F. Foust, directors.

Contact: Marcia Rowan.

Health Resources

304 Cambridge Road, Woburn, Mass. 01801, 800-451-1834; fax: 617-935-1084

Staff

Salaried employees....10
Includes: psychologists, social workers, marriage/family/child counselors, professional/mental health counselors

Contracted professionals....NA
Includes: social workers, marriage/family/child counselors, professional/mental health counselors

EAP clients

Total....90
Lives covered at year-end 1994....160,000

For profit.

Assessments & treatments: Standard services.

Health promotion: Standard services, including physical fitness/exercise.

Educational/general services: Standard services.

Counseling sites: Worksites, EAP facilities, phone counseling.

Service area: 46 states.

Reporting: Quarterly.

Billing: Capitated fee.

Officers: David S. Critchlow, president/CEO; Thomas W. Diffily, COO; Nick D'Angelo, vp-finance.

Contact: Thomas W. Diffily.

HELPNET Inc.

P.O. Box 3217, Long Beach, Calif. 90803-0217; 310-597-3444; fax: 310-498-6873

Staff

Salaried employees....8
Includes: 1 psychologist, 1 professional/mental health counselor
Contracted professionals....2,420
Includes: 231 psychiatrists, 530 psychologists, 720 social workers, 837 marriage/family/child counselors, 102 professional/mental health counselors

Facilities

Total....243

EAP clients

Total....37
Lives covered at year-end 1994....84,000
Employees....35,000
Dependents....49,000

1994 revenues

EAP services....100%

Services began: 1981.

For profit.

Assessments & treatments: Standard services, including legal, workplace violence, sexual issues.

Health promotion: Standard services, excluding nutrition/weight control. Also provides workplace diversity, employee selection, non-violent workplace.

Educational/general services: Standard services.

Counseling sites: EAP facilities.

Specialties: Transportation and financial institutions.

Service area: Nationwide.

Reporting: Monthly, quarterly, annually.

Billing: Flat fee; capitated fee, $1.50-$5 per employee per month; fee for service.

Officers: Helen Burch, president; Daniel Sheeran, executive vp-marketing; Val Valencia, clinical director; Katherine Peters, director-consulting services; Robert Smith, director-management information systems.

Human Behavior Associates

191 Military East, Suite A1, Benicia, Calif. 94510; 707-747-0117; fax: 707-747-6646

Staff

Salaried employees....3
Includes: 1 psychologist, 1 professional/mental health counselor
Contracted professionals....718
Includes: 78 psychiatrists, 194 psychologists, 192 social workers, 248 marriage/family/child counselors, 6 professional/mental health counselors

Facilities

Total....24

EAP clients

Total....15
Lives covered at year-end 1994....29,900
Employees....13,000
Dependents....16,900

1994 revenues

Total....$242,000
EAP services....87%

Services began: 1988.

For profit.

Assessments & treatments: Standard services, including post traumatic incident stress debriefing, conflict mediation.

Health promotion: Smoking cessation, stress management, alcohol awareness, drug/chemical awareness, AIDS awareness, downsizing.

Educational/general services: Standard services.

Counseling sites: Worksites, EAP facilities, psychologists' and counselors' offices.

Specialties: High risk occupational groups.

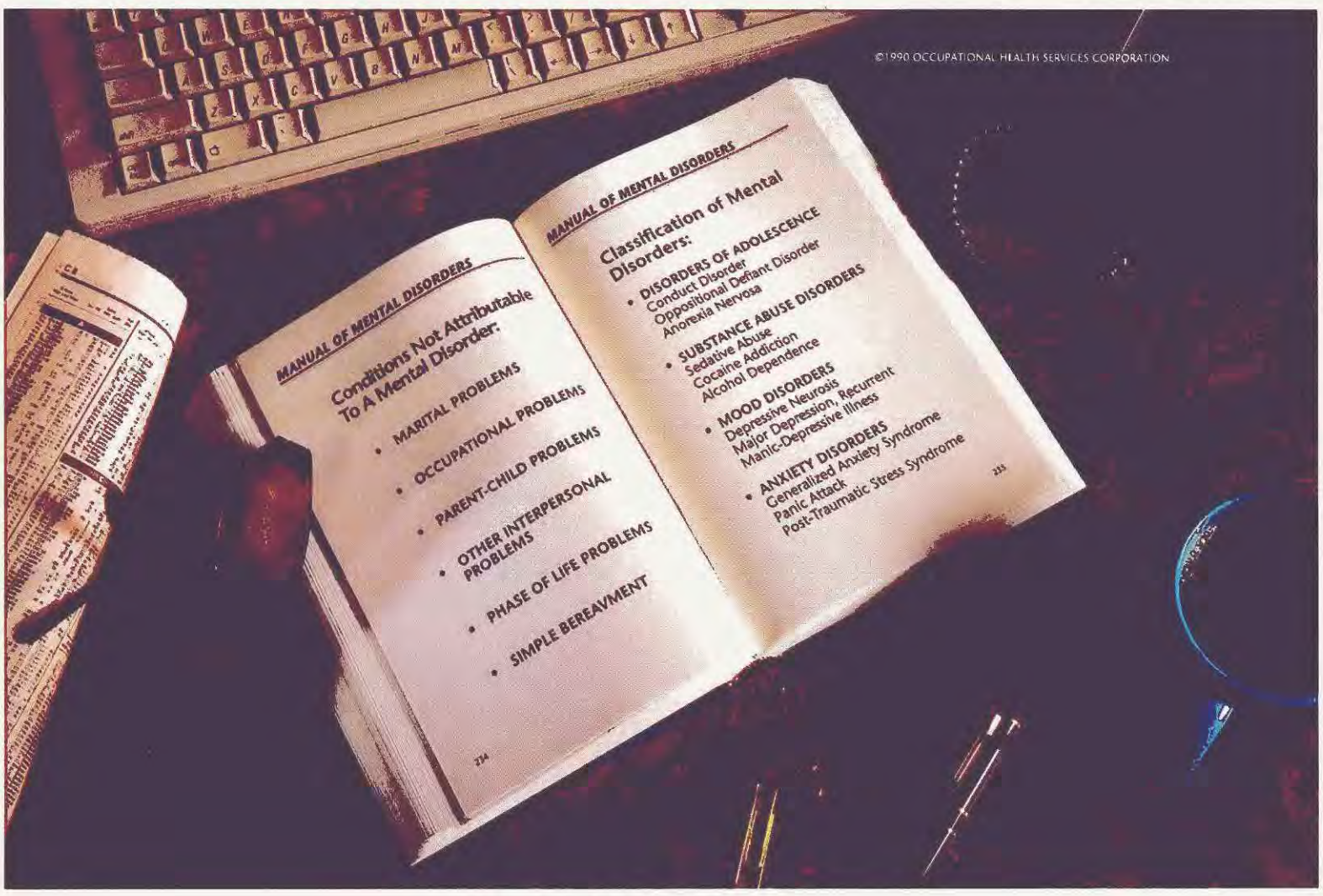
Service area: California; Hawaii; Chicago; Nevada; New Mexico; New York City; Oregon; Dallas and Houston; Utah; Washington.

Reporting: Monthly.

Billing: Flat fee; capitated fee; fee for service; graduated capitation based on usage.

Officers: James B. Wallace, president; Yolanda Calderon, operations manager;

Continued on next page



To treat or not to treat, isn't the question.

The problems on the left page affect most of your work force at one time or another.

Untreated, they lead to higher medical and psychiatric benefit costs, increased absenteeism, and diminished productivity. Yet, they do not meet the reimbursement guidelines under your health benefit plan.

That's why Occupational Health Services Employee Assistance Programs were created. Since 1972, we've been providing cost-effective solutions to the personal, emotional, financial, legal, child, and elder care problems of modern life.

The diagnoses on the right page may only affect a small percentage of your employees.

Treatment, however, will eat up a tremendous amount of your medical benefit dollars. Without specialized managed mental health care services, your employees and dependents are subject to unnecessary hospitalizations, ill-conceived treatment plans, and overly lengthy stays that often characterize psychiatric and chemical dependency treatment.

OHS has a better way to control these skyrocketing costs – a managed mental health program where quality care and cost efficiency go hand in hand.

You can select the exact components that meet your needs: EAP. Utilization Management. Specialty Provider Networks. Solutions to keep problems from growing into catastrophes. Solutions to keep treatment costs down.

OHS works around the clock for 400 employers and 2 million people nationwide.

To find out how your organization can benefit from the most cost-effective managed mental health care program available, contact us today.

OHS. Occupational Health Services Corporation.
1600 Los Gamos Road, San Rafael, CA 94903.
Fax: 415-472-8187. Phone: 800-327-7526.

OHS The dollars and sense solution.

Continued from previous page
Juve Vela, intake manager; Dennis Hall, senior EAP consultant; Valerie Vanni, consultant.
Contact: James B. Wallace.

Human Resource Healthcare Group Inc.
1240 S. Harbor City Blvd., Melbourne, Fla. 32901-3242; 407-725-4767 or 800-424-0767; fax: 407-984-3987

Staff

Salaried employees....6
Includes: 2 psychologists, 4 marriage/family/child counselors
Contracted professionals....7
Includes: 2 psychologists, 2 social workers, 3 professional/mental health counselors

Facilities

Total....3

EAP clients

Total....1
Lives covered at year-end 1994....12,500
Employees....5,500
Dependents....7,000

Services began: 1991.
For profit.
Assessments & treatments: Standard services, excluding legal problems.
Health promotion: Standard services, excluding elder care. Also provides physical fitness/exercise.
Educational/general services: Standard services.
Counseling sites: Worksites, EAP facilities, phone counseling.
Service area: Florida, Texas.
Reporting: Quarterly.
Billing: Flat fee.
Contact: Jon N. Peterson, president/program administrator.

I

Insight, Employee Assistance Program
770 E. Shaw, Suite 112, Fresno, Calif. 93710; 209-226-7437; fax: 209-226-5937

Staff

Salaried employees....8
Includes: 1 social worker, 5 marriage/family/child counselors, 2 professional/mental health counselors
Contracted professionals....35
Includes: 4 psychologists, 20 social workers, 11 marriage/family/child counselors

Facilities

Total....4

EAP clients

Lives covered at year-end 1994....NA
Employees....22,000

Services began: 1979.
For profit.
Assessments & treatments: Standard services, including critical incident stress debriefing.
Health promotion: Stress management, alcohol awareness, drug/chemical awareness, team building.
Educational/general services: Standard services.
Utilization review: Case management.
Counseling sites: EAP facilities.
Specialties: Hospitals, emergency personnel, banking, manufacturing.
Service area: California: Fresno, Madua, Muciel, Sacramento, Stanislaus, Tulare.
Reporting: Quarterly.
Billing: Capitated fee.
Officers: Mateo F. DeSoto, president; Kenneth Steinbach, vp; Torene Bonner, director-operations.
Managed mental health services are available through sister company, Bio-Behavioral Medical Clinics.

Integrated Management Services Ltd.
505 N. Zenith Drive, Glenview, Ill. 60025; 708-635-8840; fax: 708-390-9725

Staff

Salaried employees....4
Includes: 4 professional/mental health counselors
Contracted professionals....25
Includes: 3 psychiatrists, 10 psychologists, 5 social workers, 4 marriage/family/child counselors, 2 professional/mental health counselors, 1 physician

Facilities

Total....15

EAP clients

Total....10
Lives covered at year-end 1994....30,000
Employees....10,000
Dependents....20,000

1994 revenues

EAP services....100%

Services began: 1991.
For profit.
Assessments & treatments: Standard services.
Health promotion: Nutrition/weight control, stress management, alcohol awareness, drug/chemical awareness.
Educational/general services: Standard services, including psychiatric disability review, psychiatric workers comp review.
Counseling sites: Worksites, EAP facilities, phone counseling.
Service area: Illinois, Indiana, Wisconsin.
Reporting: By request.
Billing: Flat fee; capitated fee.
Officers: Timothy L. Fellers, president; Carla Spellman, executive director.
Contact: Carla Spellman, executive director.

J

The Jernberg Corp.
10 Chestnut St., Worcester, Mass. 01608; 508-754-1770; fax: 508-753-0902

Staff

Salaried employees....26
Includes: 6 social workers, 3 marriage/family/child counselors, 5 professional/mental health counselors
Contracted professionals....30
Includes: 4 psychologists, 16 social workers, 4 marriage/family/child counselors, 6 professional/mental health counselors

Continued on next page

Investment Capital for Insurance Companies

We are interested in backing talented executives who want to expand or build focused and efficient insurance companies.

ORCHID HOLDINGS, L.P.
555 California Street, Suite 5180
San Francisco, CA 94104-1716
415/781-2200 telephone • 415/781-2189 facsimile
Contact Peter M. Joost or Christopher J. O'Brien

Many employee benefit plan fiduciaries are at risk of losing their personal assets.

Be a hero. Tell them about it.

The Employee Retirement Income Security Act requires employee benefit plan fiduciaries to carry a fidelity bond equal to at least 10 percent of funds handled. It protects the fund, not the fiduciary.

But, many fiduciaries don't know that. A recent survey showed *nearly 50 percent* of those who don't purchase coverage believe their ERISA-mandated fidelity bond does protect their personal assets.

It doesn't, but you can. Aetna has developed a coordinated promotional package to help you explain the need for fiduciary liability coverage and differentiate it from the ERISA-mandated fidelity bond.

It's a simple way to help your customers and earn additional income at the same time. In fact, once your clients understand their personal risk as fiduciaries, we think Aetna's fiduciary liability coverage will practically sell itself. Hey, being a hero has its rewards.

For more information about Aetna's fiduciary liability coverage, call your Bond representative today.

Aetna

The Aetna Casualty and Surety Company
Aetna Casualty & Surety Company of America

Continued from previous page

EAP clients

Total	1,150
Lives covered at year-end 1994	440,000
Employees	150,000
Dependents	290,000

1994 revenues

Total	$3,000,000
EAP services	100%

Services began: 1980.
For profit.
Assessments & treatments: Standard services, elder care, post-traumatic stress, critical incident stress debriefing, fitness for duty.
Health promotion: Standard services, including physical fitness/exercise.
Educational/general services: Standard services.
Counseling sites: Worksites, EAP facilities, phone counseling.
Specialties: Small- to mid-size companies, companies with diverse demographics.
Service area: Nationwide.
Reporting: Monthly, quarterly, annually, by request.
Billing: Capitated fee, $15-$35 per employee per year; fee for service.
Officers: Sally E. Mann, president; Eileen M. Rafferty, director-account services; Raymond F. Mitchell, director-clinical operations.
Contact: Sally E. Mann.

The Lexington Group Inc.

85 Lexington St., New Britain, Conn. 06052; 800-676-4357; fax: 302-224-2020

Staff

Salaried employees	12
Includes: 1 psychologist, 3 social workers, 1 marriage/family/child counselor, 2 professional/mental health counselors	
Contracted professionals	600
Includes: 10 psychiatrists, 75 psychologists, 150 social workers, 100 marriage/family/child counselors, 130 professional/mental health counselors, 9 physicians	

Facilities

Total	10

EAP clients

Total	52
Lives covered at year-end 1994	176,040
Employees	58,400
Dependents	117,640

1994 revenues

Total	$993,000
EAP services	100%

Services began: 1988.
For profit.
Assessments & treatments: Standard services, including emotional/psychological difficulties, job/career stress, other addictions, domestic violence.
Health promotion: Standard services, including physical fitness/exercise, child care.
Educational/general services: Standard services, including conflict resolution, team building, communication and leadership skills, training for survivors of corporate change.
Utilization review: Case management, gatekeeper function.
Counseling sites: Worksites, EAP facilities, phone counseling.
Service area: North America, Puerto Rico.
Reporting: Quarterly, by request.
Billing: Flat fee; capitated fee, $15-$45 per employee per year; fee for service.
Officers: Charles Pilkington, president; Bonnie Erkson, vp-finance/administration; Dr. Thomas Doolittle, vp-clinical operations; Gina Marzilli Shaughnessy, vp-marketing/customer relations.
Contact: Gina Marzilli Shaughnessy.

Liberty Mutual

175 Berkeley St., Boston, Mass. 02117; 800-451-7065; fax: 603-742-2282

Services began: 1995.
For profit.
Assessments & treatments: Standard services, excluding legal problems. Also provides elder care, child care services/referral, department of transportation compliance.
Health promotion: Stress management, alcohol awareness, elder care, health risk assessment.
Educational/general services: Supervisor training, drug-free workplace adherence, workplace problem identification, workers comp/disability interface.
Utilization review: Standard services, including bill review, network options.
Counseling sites: Worksites, EAP/mental health care facilities, phone counseling.
Service area: Nationwide.
Reporting: Quarterly, annually, by request.
Billing: Capitated fee; fee for service, utilization-based rates.
Liberty Mutual's EAP services are provided through contract with an EAP service provider.

LifeLink EAP

2000 E. 4th St., Suite 204, Santa Ana, Calif. 92705; 714-835-4171; fax: 714-835-0519

Staff

Salaried employees	12
Includes: 12 marriage/family/child counselors	
Contracted professionals	500
Includes: 10 psychiatrists, 100 psychologists, 100 social workers, 300 marriage/family/child counselors	

EAP clients

Total	NA
Lives covered at year-end 1994	126,000
Employees	38,000
Dependents	88,000

Parent: Pacificare Health Systems.
For profit.
Assessments & treatments: Standard services.
Health promotion: Standard services, including physical fitness/exercise.
Educational/general services: Standard services, including psychiatric disability review, psychiatric workers comp review.
Counseling sites: Worksites, EAP facilities, physicians' offices, phone counseling.
Service area: Arizona, California, New Mexico, Oklahoma, Oregon, Texas, Washington.
Reporting: Quarterly.
Billing: Capitated fee.
Officers: Alan Savitz, president/CEO; Len Whyte, CFO; William Buck, manager-clinical services.
Contact: William Buck.

Lincoln EAP Inc.

201 N. Eighth St., Suite 101, Lincoln, Neb. 68508; 401-476-0186

Staff

Salaried employees	9
Includes: 1 social worker, 8 professional/mental health counselors	

EAP clients

Total	71
Lives covered at year-end 1994	86,955
Employees	26,955
Dependents	60,000

Mental health network clients

Total	2
Lives covered at year-end 1994	2,052
Employees	822
Dependents	1,230

1994 revenues

Total	$310,287
EAP services	93%
Managed mental health care services	3%

Services began: 1974.
Not for profit.
Assessments & treatments: Standard services.
Health promotion: Standard services, excluding smoking cessation, nutrition/weight control.
Educational/general services: Standard services, including critical incident stress debriefing.
Utilization review: Outpatient precertification, case management.
Counseling sites: Worksites, EAP facilities.
Specialties: Small business.
Service area: Nebraska.
Reporting: Monthly.
Billing: Flat fee.
Officers: Art Sharp, board president; Deb Fisher, vp; Chip Woods, secretary/treasurer; Joe Rowson and Kelley Baker, board members.
Contact: Kristine Brennan, executive director.

Longview Associates Inc.

237 Mamaroneck Ave., Suite 404, White Plains, N.Y. 10605; 914-946-0525; fax: 914-683-0037

Staff

Salaried employees	7
Includes: 2 social workers	

EAP clients

Total	80
Lives covered at year-end 1994	NA

1994 revenues

EAP services	100%

Services began: 1972.
Not for profit.
Assessments & treatments: Standard services.
Health promotion: Standard services, including physical fitness/exercise.
Educational/general services: Standard services, including psychiatric workers comp review.
Utilization review: Standard services.
Counseling sites: Worksites, EAP facilities.

Continued on next page



WITHOUT OUR MANAGED DISABILITY PROGRAMS, OFF-THE-JOB INJURIES CAN BEND THE WHOLE COMPANY OUT OF SHAPE.

FACING THE ISSUES THAT FACE OUR CUSTOMERS™

When someone's injured off the job, Liberty Mutual's managed disability programs can help your company make a quick recovery. Our comprehensive approach will help employees back on the job as soon as they're able. That's good for them, and for you. So talk to Liberty Mutual, the company with 80 years of experience.

YOU DON'T BECOME A LEADER IN MANAGED DISABILITY BY ACCIDENT.

LIBERTY MUTUAL.

© 1994 Liberty Mutual Group

Continued from previous page

Specialties: Not for profit schools and hospitals.
Service area: Nationwide.
Reporting: Annually.
Billing: Flat fee; capitated fee; fee for service.
Officers: Marcia E. Nagle, president; Robert Lindsey, vp.

M

Mastrich & Associates

4475 Route 27, Kingston, N.J. 08528; 609-921-3665; fax: 609-397-1971

Staff

Salaried employees	2
Includes: 2 psychologists	
Contracted professionals	3
Includes: 3 social workers	

EAP clients

Total	4
Lives covered at year-end 1994	7,500
Employees	2,500
Dependents	5,000

Services began: 1987.
For profit.
Assessments & treatments: Standard services.
Health promotion: Standard services, excluding AIDS awareness and elder care. Also provides physical fitness/exercise.
Educational/general services: Standard services.
Counseling sites: Worksites, EAP facilities, phone counseling.
Service area: New Jersey.
Reporting: Quarterly, annually, by request.
Billing: Flat fee; capitated fee: $25 per employee per year; fee for service.
Officers: Dr. James Mastrich.

Motanky & Associates Inc.

8601 W. Bryn Mawr Ave., Suite 113, Chicago, Ill. 60631; 312-693-0139; fax: 312-380-1037

Staff

Salaried employees	4
Contracted professionals	20

Facilities

Total	25

EAP clients

Total	12
Lives covered at year-end 1994	35,000
Employees	10,000
Dependents	25,000

1994 revenues

Total	$350,000
EAP services	95%
Managed mental health care services	5%

Services began: 1987.
For profit.
Assessments & treatments: Standard services, including personal/psychological.
Health promotion: Stress management, alcohol awareness, drug/chemical awareness, elder care.
Educational/general services: Standard services, including child care referral.
Utilization review: Gatekeeper function.
Counseling sites: Worksites, EAP facilities, phone counseling.
Service area: California, Colorado, Illinois, New York, North Carolina, Pennsylvania, Texas, Utah.
Reporting: Quarterly.
Billing: Capitated fee, $2-$3 per employee per month.
Officers: Guy Motanky, president; Linda Motanky, treasurer.

N

New Choices Inc.

1111 S. Las Vegas Blvd., Suite 233, Las Vegas, Nev. 89104; 702-383-9777

Staff

Salaried employees	4
Contracted professionals	NA
Includes: psychiatrists, psychologists, social workers, marriage/family/child counselors, professional/mental health counselors	

Facilities

Total	1

EAP clients

Total	26

1994 revenues

EAP services	90%

Services began: 1986.
For profit.
Assessments & treatments: Stress, alcohol abuse, drug/chemical abuse, financial concerns.
Health promotion: Stress management, alcohol awareness, drug/chemical awareness, AIDS awareness.
Educational/general services: Standard services.
Counseling sites: Worksites, EAP facilities, physicians' offices.
Specialties: Construction, transportation, manufacturing.
Service area: Nevada: Clark County.
Reporting: By request.
Billing: Flat fee; fee for service.
Officers: Bob Henderson, director.

Newbridge Consultation

585 Stewart Ave., Garden City, N.Y. 11530; 516-222-1221; fax: 516-222-2915

Staff

Salaried employees	13
Includes: 1 psychiatrist, 1 psychologist, 11 social workers	
Contracted professionals	15
Includes: 15 social workers	

EAP clients

Total	8
Lives covered at year-end 1994	38,000
Employees	13,000
Dependents	25,000

1994 revenues

Total	$540,000
EAP services	100%

Services began: 1981.
For profit.
Assessments & treatments: Standard services.
Health promotion: Standard services.
Educational/general services: Standard services.
Utilization review: Case management.
Counseling sites: Worksites, EAP facilities, phone counseling.
Service area: Nationwide.
Reporting: Quarterly.
Billing: Flat fee; capitated fee; fee for service.
Officers: Lawrence Eisenberg, president.

P

PHR Associates

P.O. Box 271364, Tampa, Fla. 33688; 813-931-0101

Staff

Contracted professionals	10

Continued on next page

Services available are listed under three categories: assessment and treatment; health promotion; and educational/general services. Unless noted, **standard assessments and treatments** include stress, occupational problems, family/marital problems, suicide, alcohol abuse, legal problems, drug/chemical abuse, financial concerns and adolescent treatment. **Standard health promotion services** include smoking cessation, nutrition/weight control, stress management, alcohol awareness, drug/chemical awareness, AIDS awareness and elder care. **Standard educational/general services** include employee education, supervisor training, drug-free workplace regulatory adherence and workplace problem identification.

Standard utilization review services include inpatient and outpatient precertification, concurrent review and case management.

Business Insurance defines an employee assistance program as providing counseling and training to assist employees in the identification and resolution of personal problems, which may include referrals to specialists for treatment.



TICK. TICK. TICK.
GLOBAL SERVICE. ANY TIME. ANY PLACE.

From the earthquakes in Northridge and Kobe to the floods in Dublin, **Thomas Howell Group** provides catastrophe management services throughout the world. Our specialized adjusters, engineers, and surveyors are ready on a moment's notice.

Thomas Howell Group (Americas) Inc. has a broad range of services, including:

Claims Management
Data Information Systems
Emergency Response Teams
Adjusting and Engineering Specialists
Marine and Aviation
Oil and Energy

Experience and expertise has made Thomas Howell Group a global leader since 1785.

THOMAS HOWELL GROUP (AMERICAS) INC.

To learn more, contact Group Marketing
Six Concourse Parkway • Suite 3100 • Atlanta, GA 30328
Phone (404) 395-1000 • Fax (404) 390-1076.

Continued from previous page

EAP clients

Total 35

Services began: 1990.
For profit.
Assessments & treatments: Occupational problems, family/marital problems, alcohol abuse, drug/chemical abuse, financial concerns.
Health promotion: Standard services, excluding AIDS awareness, elder care.
Educational/general services: Standard services, excluding drug-free workplace adherence.
Utilization review: Concurrent review, case management.
Counseling sites: Worksites, phone counseling.
Service area: Florida.
Reporting: By request.
Billing: Capitated fee; fee for service.
Officers: Tom Aderhold, president.

Pape & Associates

618 S. West St., Wheaton, Ill. 60187; 708-668-8710; fax: 708-668-8779

Staff

Salaried employees 2
Includes: 2 social workers
Contracted professionals 14
Includes: 1 psychiatrist, 1 psychologist, 10 social workers, 1 marriage/family/child counselor, 1 professional/mental health counselor

Facilities

Total 6

EAP clients

Total 10
Lives covered at year-end 1994 15,000
Employees 5,000
Dependents 10,000

1994 revenues

Total $600,000
EAP services 30%

Services began: 1981.
For profit.
Assessments & treatments: Standard services, including all addictions.
Health promotion: Stress management, alcohol awareness, drug/chemical awareness.
Educational/general services: Standard services.
Counseling sites: Worksites, EAP facilities, phone counseling.
Service area: Illinois: Cook, DuPage and Kane counties.
Reporting: Quarterly.
Billing: Flat fee; capitated fee, $1-$2 per employee per month; fee for service.
Officers: Patricia A. Pape, president.

Pathway EAP

674 Prospect Ave., Hartford, Conn. 06105; 800-327-0011; fax: 203-233-6229

Staff

Salaried employees 5
Includes: 2 psychologists, 1 marriage/family/child counselor, 2 professional/mental health counselors
Contracted professionals 2
Includes: 2 psychologists

EAP clients

Total 28
Lives covered at year-end 1994 ..... NA
Employees 7,000

Services began: 1978.
For profit.
Assessments & treatments: Standard services, including critical incident.
Health promotion: Standard services.
Educational/general services: Standard services.
Utilization review: Concurrent review, case management.
Counseling sites: Worksites, EAP facilities, physicians' offices, phone counseling.
Specialties: Law firms, public safety organizations.
Service area: Colorado; Connecticut; Illinois; Massachusetts; New York; Rhode Island.
Reporting: Quarterly, annually, by request.
Billing: Capitated fee; fee for service.
Officers: Allan Schiffer, owner; Guy J. Schiller, director-EAP services.
Contact: Guy J. Schiller.

Proactive Health Associates

201 Lyons Ave., Newark, N.J. 07112; 201-926-7830

Staff

Salaried employees 2.5
Includes: 1 psychiatrist, 1.5 social workers
Contracted professionals 3
Includes: 1 psychologist, 1 social worker, 1 professional/mental health counselor

EAP clients

Total 2
Lives covered at year-end 1994 7,000
Employees 4,000
Dependents 3,000

Services began: 1986.
Parent: Network Beth Israel Medical Center.
Not for profit.
Assessments & treatments: Standard services.
Health promotion: Standard services, excluding AIDs awareness and elder care. Also provides physical fitness/exercise.
Educational/general services: Standard services.
Utilization review: Case management.
Counseling sites: EAP facilities, physicians' offices, phone counseling.
Specialties: Health care, small- to medium-size companies.
Service area: New Jersey: Essex and Union counties and Newark metropolitan area.
Reporting: By request.
Officers: Stuart Rosenthal, executive medical director; Aron Schlam, senior vp; Susan H. Frishman, director.
Contact: Susan H. Frishman.

Professional Employee Assistance Consulting (PEAC)

6345 Balboa Blvd., Suite 205, Encino, Calif. 91316; 818-345-7671; fax: 818-345-7672

Staff

Salaried employees 1
Contracted professionals 3
Includes: 1 psychiatrist, 1 psychologist, 1 social worker

Facilities

Total 14

EAP clients

Total 6

1994 revenues

Total $106,000
EAP services 100%

Services began: 1986.
For profit.
Assessments & treatments: Standard services, including traumatic incident.
Health promotion: Standard services, including physical fitness/exercise and retirement planning.
Educational/general services: Standard services, including psychiatric disability review, psychiatric workers comp review.
Utilization review: Concurrent review, case management.
Counseling sites: Worksites, EAP facilities, physicians' offices, phone counseling.
Specialties: Oil industry, beverage industry, attorneys, cities.
Service area: California: Kern and Los Angeles counties.
Reporting: Annually, by request.
Billing: Flat fee; fee for service.
Officers: Nancy A. Petenbrink, CEO.

R

RADAR Inc.

645 Farmington Ave., Hartford, Conn. 06105; 203-523-9788; fax: 203-232-5049

Staff

Salaried employees 3.5
Includes: 2 marriage/family/child counselors
Contracted professionals 1
Includes: 1 psychologist

EAP clients

Total 24
Lives covered at year-end 1994 5,100
Employees 5,000
Dependents 100

1994 revenues

Total $135,000
EAP services 100%

Services began: 1978.
Not for profit.
Assessments & treatments: Standard services, excluding legal problems and financial concerns.
Health promotion: Stress management, alcohol awareness, drug/chemical awareness, AIDS awareness, elder care.
Educational/general services: Standard services, excluding drug-free workplace adherence.
Counseling sites: Worksites, EAP facilities, phone counseling.
Specialties: Municipalities, manufacturing, insurance firms.
Service area: Nationwide.
Reporting: Quarterly, annually.
Billing: Flat fee.
Officers: Rodney Carr, Patrick Lyle, Edward Conklin, Richard Narowski, Anne Ambrose.
Contact: Marlene Dube, 203-523-9273.

Raleigh Employee Assistant Program

4000 Wake Forest Road, Suite 100, Raleigh, N.C. 27609; 919-872-4786 or 800-554-1399;fax: 919-872-8281

Staff

Salaried employees 4
Includes: 1 psychologist, 3 professional/mental health counselors

EAP clients

Total 25
Lives covered at year-end 1994 ..... NA
Employees 14,000

1994 revenues

EAP services 100%

Services began: 1985.
For profit.
Assessments & treatments: Standard services, excluding occupational problems.
Health promotion: Standard services, excluding nutrition/weight control and elder care. Also provides physical fitness/exercise.
Educational/general services: Standard services, excluding workplace problem identification.
Counseling sites: Worksites, EAP facilities, phone counseling.
Service area: North Carolina: Wake County.
Reporting: Quarterly.
Billing: Capitated fee.
Officers: Karen Untz, president/owner.

S

Donald Sandin & Associates Inc.

305 Madison Ave., Suite 956, New York, N.Y. 10165; 212-370-4305; fax: 212-370-4307

Staff

Salaried employees 6
Includes: 3 social workers, 1 marriage/family/child counselor, 2 professional/mental health counselors

Facilities

Total 50

EAP clients

Total 25
Lives covered at year-end 1994 ..... NA
Employees 30,000

Mental health network clients

Total 15
Lives covered at year-end 1994 20,000

Services began: 1973.
For profit.
Assessments & treatments: Standard services, excluding suicide.
Health promotion: Stress management, alcohol awareness, drug/chemical awareness, re-engineering, sexual harassment, cultural diversity.
Educational/general services: Standard services, including sexual harassment, re-engineering, team building.
Utilization review: Standard services.
Counseling sites: Worksites, EAP facilities, phone counseling.
Specialties: Hospitals, small business.
Service area: Nationwide.
Reporting: Monthly, quarterly, annually, by request.
Billing: Flat fee; capitated fee, $.5-$40 per employee; fee for service.
Officers: Donald Sandin.
Contact: Robert Baldwin.

Sobel & Raciti Associates

16 Boston Post Road, Wayland, Mass. 01778, 800-227-2195; fax: 401-274-6472

Staff

Salaried employees 10
Includes: 5 psychologists, 4 social workers, 1 professional/mental health counselor
Contracted professionals 130
Includes: 5 psychiatrists, 75 psychologists, 50 social workers

EAP clients

Total 25
Lives covered at year-end 1994 53,000
Employees 25,000
Dependents 28,000

Services began: 1986.
For profit.
Assessments & treatments: Standard services, excluding adolescent treatment.
Health promotion: Standard services, excluding nutrition/weight control, AIDS awareness, elder care.
Educational/general services: Standard services.
Utilization review: Standard services.
Counseling sites: Worksites, EAP facilities, phone counseling.
Specialties: High-tech, banking and retail.
Service area: Connecticut, Massachusetts, Rhode Island.
Reporting: Quarterly.
Billing: Flat fee; capitated fee.
Officers: Harry J. Sobel, president; Michael A. Raciti, vp.
Contact: Harry J. Sobel.

Southeastern Employee Assistance Services

305 W. Fifth St., Rome, Ga. 30165-2818; 706-232-1111 or 800-848-1243; fax: 706-232-430

Staff

Salaried employees 1
Includes: 1 marriage/family/child counselor
Contracted professionals 3
Includes: 1 social worker, 1 marriage/family/child counselor, 1 professional/mental health counselor

Continued on next page

American Premier Group Inc.

has changed its name to

American Financial Group, Inc.

Property and Casualty Insurance and Annuity Specialists

NYSE: "AFG"

Corporate Offices:
One East Fourth Street
Cincinnati, Ohio 45202
513-579-2121

Continued from previous page

EAP clients

Total 12
Lives covered at year-end 1994 25,031
Employees 5,036
Dependents 15,000

Services began: 1980.
For profit.
Assessments & treatments: Standard services.
Health promotion: Standard services, excluding nutrition/weight and elder care. Also provides physical fitness/exercise services.
Educational/general services: Standard services.
Utilization review: Standard services.
Counseling sites: Worksites, EAP facilities.
Service area: Georgia: Bartow, Chattooga, Floyd, Gordon and Polk counties.
Reporting: By request.
Billing: Flat fee; capitated fee; fee for service.
Officers: Mary Ann Watson, president; Edgar Watson, vp.
Contact: Mary Ann Watson.

U

United Labor Agency of Essex-West Hudson Inc.

30 Clinton St., 2nd Floor, Newark, N.J. 07102; 201-623-7878; fax: 201-623-6536

Staff

Salaried employees 4
Includes: 2 social workers, 2 professional/mental health counselors

EAP clients

Total 11
Lives covered at year-end 1994 ..... NA
Employees 16,000

Mental health network clients

Total 1
Lives covered at year-end 1994 850
Employees 600
Dependents 250

Services began: 1979.
Not for profit.
Assessments & treatments: Standard services, excluding suicide and adolescent treatment.
Educational/general services: Standard services.
Utilization review: Inpatient and outpatient precertification.
Counseling sites: EAP facilities.
Specialties: Companies with unions, governmental agencies, non-profit and school systems.
Service area: Connecticut, New Jersey, New York, Pennsylvania.
Reporting: Quarterly, annually.
Billing: Flat fee; fee for service.
Contact: Nancy Miller, EAP director.

V

Valley Hospital

2200 Morris Hill Road, Chattanooga, Tenn. 37421; 615-894-4220; fax: 615-499-1201

Staff

Salaried employees 54
Includes: 12 psychiatrists, 2 psychologists, 9 social workers, 9 marriage/family/child counselors, 10 professional/mental health counselors, 12 physicians

Facilities

Total 6

Services began: 1973.
Parent: Columbia Health.
For profit.
Assessments & treatments: Standard services.
Health promotion: Stress management, alcohol awareness, drug/chemical awareness.
Educational/general services: Standard services, including psychiatric workers comp review.
Utilization review: Standard services.
Counseling sites: EAP facilities, physicians' offices, phone counseling.
Service area: Georgia, Tennessee.
Reporting: Quarterly.
Billing: Fee for service.
Contact: Miles Thomas, EAP coordinator.

Veterans Memorial Medical Center

883 Paddock Ave., Meriden, Conn. 06450; 203-630-5358; fax: 203-634-7088

Staff

Salaried employees 2
Includes: 2 professional/mental health counselors
Contracted professionals 7
Includes: 1 psychiatrist, 1 psychologist, 2 social workers, 1 marriage/family/child counselor, 2 professional/mental health counselors

EAP clients

Total 26
Lives covered at year-end 1994 ..... NA
Employees 13,421

Services began: 1980.
Not for profit.
Assessments & treatments: Standard services, including critical incident stress.
Health promotion: Standard services, excluding AIDS awareness. Also provides health risk appraisal services.
Educational/general services: Standard services.
Counseling sites: Worksites, EAP facilities, physicians' offices.
Specialties: Health care organizations.
Service area: Connecticut.
Reporting: Quarterly.
Billing: Flat fee; fee for service.
Contact: George "Bud" Wassell, director.

W

Working Solutions Inc.

9700 S.W. Capitol Highway, Suite 200, Portland, Ore. 97219; 800-358-8515; fax: 503-246-1533

Staff

Salaried employees ..... NA
Includes: psychiatrists, psychologists, social workers, professional/mental health counselors, physicians
Contracted professionals ..... NA
Includes: psychiatrists, psychologists, social workers, marriage/family/child counselors, professional/mental health counselors, physicians

For profit.
Assessments & treatments: Standard services.
Health promotion: Standard services, including physical fitness/exercise.
Educational/general services: Standard services, including psychiatric disability review, psychiatric workers comp review.
Counseling sites: Worksites, EAP facilities, phone counseling.
Service area: United States, Canada and selected international locations.
Reporting: Quarterly, by request.
Billing: Capitated fee.
Officers: Leslie Faught, president; Molly Shonsey, executive vp; Linda Voelsch, vp-quality assurance; Daniel Voiss.
Contact: Molly Shonsey.

WorkMed Employee Assistance Program

Charlton Memorial Hospital, 363 Highland Ave., Fall River, Mass. 02720; 508-679-7171; fax: 508-679-7071

Staff

Salaried employees 16
Includes: 16 social workers

EAP clients

Total 6
Lives covered at year-end 1994 ..... NA
Employees 5,205

1994 revenues

Total $85,879
EAP services 100%

Services began: 1983.
Parent: Charlton Memorial Hospital.
For profit.
Assessments & treatments: Standard services.
Health promotion: Standard services, excluding nutrition/weight control.
Educational/general services: Standard services.
Utilization review: Case management.
Counseling sites: Worksites, EAP facilities, phone counseling.
Specialties: Emergency response professionals, police and fire departments, hospitals, schools.
Service area: Southeastern Massachusetts; Rhode Island.
Reporting: Monthly, quarterly, annually.
Billing: Flat fee; fee for service.
Officers: Cheryl Caron, director; Katherine Riley-Keough and Ron Pelletier, EAP coordinators. BI

The directory of managed mental health care providers begins on page 22. All organizations listed in the managed mental health care section offer EAP services, unless noted.



Nobody's Faster. Most dental insurers aren't known for their speed, but we are. Clients' claims will be paid in an average of five days, and we'll issue renewal notices at least 30 days in advance. Plus, we answer most member questions immediately over the phone. We're even fast to save clients money using our unique claims processes. We believe in delivering fast, accurate and efficient service. So hurry. The sooner you call the faster we can respond. For information, make a quick call to your producer or call us at 1-800-776-9446.

AMERITAS® LIFE INSURANCE CORP.

Ameritas Life Insurance Corp. products are available nationwide, except in New York where products are available through Ameritas Bankers Assurance Company. For more information on Ameritas products in New York, call 1-800-201-8562. ©1995 Ameritas and the bison symbol are registered service marks of Ameritas Life Insurance Corp.

ZURICH-AMERICAN
INSURANCE GROUP

HEAD OFFICE

GROWTH:

EFFECTIVE JUNE 12, OUR CUSTOMERS WILL SHARE IN A FUTURE MADE EVEN BRIGHTER THROUGH ENHANCED CAPABILITIES IN PRODUCTS, SERVICES AND INTELLECTUAL CAPITAL.

The F

ZURICH-AMERICAN INSURANCE GROUP
1400 AMERICAN LANE, SCHAUMBURG, ILLINOIS 60196-1056
(708) 605-6000

ZURICH INSURANCE COMPANY, AMERICAN GUARANTEE AND LIABILITY INSURANCE COMPANY,
ZURICH AMERICAN INSURANCE COMPANY OF ILLINOIS, AMERICAN ZURICH INSURANCE COMPANY,
ZURICH AMERICAN LLOYDS

© 1995 Zurich Insurance Company

Power of Partnership™

The integration of the Home Insurance Business into the Zurich-American organization provides unprecedented growth opportunities which will allow us to offer a broader customer base the advantages of active partnership with greater cost efficiencies. Our expanded products and services will all benefit from the financially strong Worldwide Zurich Insurance Group. We're working toward a seamless transition that will create an organization whose strengths exceed the sum of our parts.

ZURICH-AMERICAN
INSURANCE GROUP

A MEMBER OF THE WORLDWIDE ZURICH INSURANCE GROUP

Directory of managed mental health care networks

A

AccessCare Inc.

2203 N. Lois Ave., Suite 1150, Tampa, Fla. 33607; 813-876-5036; fax: 813-872-8666

Staff

Salaried employees....11
Includes: 1 psychiatrist, 1 psychologist, 4 social workers, 2 professional/mental health counselors
Contracted professionals....3,633
Includes: 449 psychiatrists, 1,349 psychologists, 1,311 social workers, 94 marriage/family/child counselors, 291 professional/mental health counselors, 139 physicians

Facilities

Total....89

EAP clients

Total....25
Lives covered at year-end 1994....34,409
Employees....10,427
Dependents....23,982

Mental health network clients

Total....9
Lives covered at year-end 1994....493,085

1994 revenues

Total....$3,450,000
EAP services....5%
Managed mental health care services....93%

Services began: 1992.
Parent: Compensation Care Corp.
For profit.
Assessments & treatments: Standard services, excluding legal problems, financial concerns.
Health promotion: Standard services, including physical fitness/exercise.
Educational/general services: Employee education, supervisor training.
Utilization review: Standard services.
Counseling sites: EAP/mental health care facilities, physicians' offices, phone counseling.
Service area: Nationwide.
Reporting: Quarterly.
Billing: Flat fee; capitated fee; fee for service.
Officers: Ronald G. Hersch, president; Sam D. Toney, medical director; David A. Sherwin, CFO; Todd E. Nordahl, vp-operations; Gary A. Pallenik, senior vp-sales/marketing.
Contact: Gary A. Pallenik.

ACORN Behavioral HealthCare Management Corp.

The ACORN Building, 134 N. Narberth Ave., Narberth, Pa. 19072-2299; 800-223-7050 or 610-664-8350; fax: 610-664-8373

Staff

Salaried employees....48
Includes: 3 psychologists, 3 social workers
Contracted professionals....3,529
Includes: 542 psychiatrists, 1,530 psychologists, 1,062 social workers, 144 marriage/family/child counselors, 251 professional/mental health counselors

Facilities

Total....800

Mental health network/EAP clients*

Total....245
Lives covered at year-end 1994....750,000
Employees....280,000
Dependents....470,000

1994 revenues

Total....$6,300,000
Managed mental health care services....100%
**Mental health network and EAP client figures are all inclusive. EAP services are available to all members under the full managed care plan.*

Services began: 1975.
For profit.
Assessments & treatments: Standard services.
Health promotion: Stress management, alcohol awareness, drug/chemical awareness, elder care, child care.
Educational/general services: Standard services, including psychiatric disability review, psychiatric workers comp review.
Utilization review: Standard services.
Counseling sites: Worksites, EAP/mental health care facilities, physicians' offices.
Specialties: Self-Insured, ERISA plans.
Service area: United States, Puerto Rico, Virgin Islands.
Reporting: Monthly, quarterly, annually.
Billing: Capitated fee.
Officers: Mel Goldsmith, president/CEO; Mel Wondolowski, senior vp-corporate relations; Dorothy Harrison, senior vp-clinical services; Arlette McGlade, vp-management information services.
Contact: Mel Wondolowski.

The Get-Well Network.

THE MULTIPLAN NETWORK IS MORE than our 17,000 health care facilities nationwide – it is the tens of thousands of people who work with us in those facilities to keep health costs reasonable for the more than 17 million people who rely on us. As the largest Preferred Provider Organizations in the nation, we offer our clients discounts at:



- general hospitals
- subacute facilities
- rehabilitation/orthopedic facilities
- psychiatric and alcoholism and substance abuse treatment facilities
- home health care providers
- facilities with specialties in organ transplants.

In addition, our clients benefit from our growing network of physicians.

Additional savings are available through our MultiPlan Managed Care Inc. subsidiary, which provides a full range of managed care options.

Our hundreds of clients include insurance companies, corporate benefit plans, third-party administrators, and labor-management and government benefit plans.

We have more experience helping our clients save money at health care facilities than anybody else. We've been at it for more than two decades, and *it's our only business.*

For information on how The Get-Well Network℠ can become *your* network, please call Edward Rothstein or Ron Katz at 800 677-1098 or write to MultiPlan Inc., 115 Fifth Avenue, New York, NY 10003.

MultiPlan
Savings Nationwide

B

Behavioral Health Initiatives/Employee Assistance Network

14 E. Jackson St., 15th Floor, Chicago, Ill. 60604; 312-663-5600; fax: 312-986-4451

Staff

Salaried employees....10
Includes: 5 social workers, 1 professional/mental health counselor

EAP clients

Total....40
Lives covered at year-end 1994....48,000
Employees....15,000
Dependents....33,000

1994 revenues

Total....$450,000
EAP services....100%

Services began: 1982.
Parent: United Charities.
For profit.
Assessments & treatments: Standard services.
Health promotion: Stress management, alcohol awareness, drug/chemical awareness, elder care.
Educational/general services: Standard services.
Utilization review: Standard services.
Counseling sites: Worksites, EAP/mental health care facilities.
Reporting: Quarterly.
Billing: Capitated fee.
Contact: Alan Wertheimer.

Behavioral Health Systems Inc.

2 Metroplex Drive, Suite 503, Birmingham, Ala. 35209; 205-879-1150; fax: 205-879-1178

Staff

Salaried employees....21
Includes: 1 psychiatrist, 1 psychologist, 4 professional/mental health counselors
Contracted professionals....2,500
Includes: 400 psychiatrists, 400 psychologists, 300 social workers, 200 marriage/family/child counselors, 300 professional/mental health counselors

Facilities

Total....500

EAP clients

Total....5
Lives covered at year-end 1994....10,000

Mental health network clients

Total....40
Lives covered at year-end 1994....70,000

1994 revenues

EAP services....10%
Managed mental health care services....90%

Services began: 1989.
For profit.
Assessments & treatments: Standard services.
Educational/general services: Standard services, including psychiatric workers comp review.
Utilization review: Standard services.
Counseling sites: EAP/mental health care facilities, physicians' offices.
Service area: Alabama, Arkansas, Florida, Georgia, Indiana, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Mississippi, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, Texas, Virginia, West Virginia.
Reporting: Quarterly, annually, by request.

Continued on next page

Continued from previous page

Billing: Fee for service, shared risk capitation.

Officers: Deborah L. Stephens, president/CEO; Pat Friedley, vp-provider relations; Dr. William Patterson, medical director; Stephen C. Stroud, director-marketing; Kaye Huff, controller.

Contact: Deborah Stephens.

Behavioral Health Systems Inc.

485 S. Frontage Road, Suite 305, Burr Ridge, Ill. 60521; 708-655-4440; fax: 708-655-4558

Staff

Salaried employees 22
Includes: 16 psychiatrists
Contracted professionals 306
Includes: 123 psychiatrists, 79 psychologists, 104 social workers

Facilities

Total 25

Mental health network clients

Total 16
Lives covered at year-end 1994 78,500

1994 revenues

Managed mental health care services 100%

Services began: 1985.
For profit.
Assessments & treatments: Standard services, excluding legal problems and financial concerns.
Health promotion: Stress management, alcohol awareness, drug/chemical awareness.
Educational/general services: Standard services, including psychiatric disability review, psychiatric workers comp review.
Utilization review: Standard services, including physician review and certification of all care.
Counseling sites: Mental health care facilities, physicians' offices, hospitals.
Specialties: Self-funded employers, religious organizations, state and local government, manufacturers, hospitals.
Service area: Illinois: Christian, Cook, Du Page, Kane, Kankakee, LaSalle, Lee, Livingston, Logan, McClean, McHenry, Morgan, Peoria, Sangamon, Tazewell, Will and Winnebago counties; Indiana: Lake and Porter counties; Ohio: Cleveland.
Reporting: Monthly, quarterly, annually, by request.
Billing: Capitated fee.
Officers: Anthony M. D'Agostino, president/CEO; Robert L. Rogers, COO; Harold F. McGrath, secretary/treasurer; Cullen R. Schwemer, vp.
Contact: Robert L. Rogers.
EAP services are not available.

Bradman/Unipsych Cos.

7951 S.W. 6th St., Suite 100, Plantation, Fla. 33324; 305-474-8727; fax: 305-474-1351

Staff

Salaried employees 26
Contracted professionals 100

Facilities

Total 50

Services began: 1986.
For profit.
Assessments & treatments: Standard services.
Health promotion: Standard services.
Educational/general services: Standard services, including psychiatric disability review, psychiatric workers comp review.
Utilization review: Standard services.
Counseling sites: Worksites, EAP/mental health care facilities, physicians' offices, phone counseling.
Service area: Connecticut, Florida, Georgia.
Reporting: Monthly, quarterly, annually, by request.
Billing: Flat fee; capitated fee; fee for service.
Officers: Dr. Leo Bradman, chairman/CEO; Nelson Fernandez, director-operations; Denise Scott, director-administration; Dr. Ernest Cohen, psychiatric director.
Contact: Dr. Leo Bradman.

Business Health Services/Employee Assistance Program Services

18101 Prince Philip Drive, Olney, Md. 20832; 301-570-3900; fax: 301-570-0211

Staff

Salaried employees 21.5
Includes: 14 social workers, 1 marriage/family/child counselor, 5 professional/mental health counselors
Contracted professionals 2
Includes: 1 psychiatrist, 1 professional/mental health counselor

Facilities

Total 1

EAP clients

Total 138
Lives covered at year-end 1994 230,000
Employees 97,577
Dependents 132,423

Mental health network clients

Total 1
Lives covered at year-end 1994 5,000
Employees 1,200
Dependents 3,800

1994 revenues

Total $1,204,380
EAP services 95%
Managed mental health care services 5%

Services began: 1981.
Parent: Montgomery General Hospital.
Not for profit.
Assessments & treatments: Standard services, including AIDS related services.
Health promotion: Standard services, including physical fitness/exercise, communicable pathogens.
Educational/general services: Standard services, including psychiatric workers comp review.
Counseling sites: Worksites, EAP facilities, physicians' offices, phone counseling.
Service area: Nationwide.
Reporting: Monthly, quarterly, annually, by request.
Billing: Flat fee; capitated fee, $8.50-$40 per employee per year; fee for service.
Officers: Peter Monge, CEO; John Hogarty, CFO; Marcia Cohen, vp-corporate development; Harold Pickett, vp; Eric Gundlach, vp-human resources.
Contact: Heather Healy, manager-Business Health Services.

C

CNR Health

2400 S. 102 St., Suite 100, Milwaukee, Wis. 53227-2132; 414-327-5197; fax: 414-327-0886

Staff

Salaried employees 64
Includes: 3 psychiatrists, 2 psychologists, 12 social workers, 7 marriage/family/child counselors, 7 professional/mental health counselors, 3 physicians
Contracted professionals 2,555
Includes: 440 psychiatrists; 678 psychologists; 1,437 social workers, marriage/family/child counselors, professional/mental health counselors

Facilities

Total 52

EAP clients

Total 19
Lives covered at year-end 1994 249,300
Employees 99,720
Dependents 149,580

Mental health network clients

Total 24
Lives covered at year-end 1994 521,037
Employees 208,415
Dependents 312,622

1994 revenues

Total $9,700,000
EAP services 14.5%
Managed mental health care services 76.5%

Services began: 1988.
For profit.
Assessments & referral: Standard services, including affective disorders.
Health promotion: Standard services, including physical fitness/exercise.
Educational/general services: Standard services, including psychiatric disability review, psychiatric workers comp review.
Utilization review: Standard services, including prenatal, chiropractic.
Counseling sites: Worksites, EAP/mental health care facilities, phone counseling.
Specialties: Chemical, government, insurance, manufacturing, pharmaceutical, public sector, school districts, unions.
Service area: Nationwide.
Reporting: Semi-annually.
Billing: Flat fee; capitated fee, $3.50-$7.50 per member per month; fee for service.
Officers: Ralph Cavaiani, president; Dianne Kiehl, executive vp; Dr. Nancy Lane, executive director-clinical services; Louise Murphy, vp-southwest region; Dr. Peter Levine, national behavioral health medical director.
Contact: 800-654-5160 or 414-327-5197.

Care Resources Inc.

9550 Warner Ave., Suite 228, Fountain Valley, Calif. 92708; 714-963-6994; fax: 714-964-2793

Staff

Salaried employees 4
Includes: 1 psychiatrist, 1 social worker, 2 marriage/family/child counselors
Contracted professionals 750

Facilities

Total 120

EAP clients

Total 10

Mental health network clients

Total 10

Services began: 1987.
For profit.
Assessments & treatments: Standard services, including critical incident and stress debriefing.
Health promotion: Smoking cessation, stress management, alcohol awareness, drug/chemical awareness, AIDS awareness.
Educational/general services: Standard services, including psychiatric disability review, psychiatric workers comp review, workplace violence.
Utilization review: Standard services.
Counseling sites: Worksites, EAP/mental health care facilities, physicians' offices, phone counseling.
Specialties: Public agencies, labor unions, small business.
Service area: Arizona, California, Nevada.
Reporting: Monthly, quarterly, annually, by request.
Billing: Flat fee; capitated fee, $2.50 per employee per month; fee for service.
Officers: Martha Lung, CEO; Stephen Harrison, George Karamigios, Morteya Marandi, John Russell and David Pecorora.
Contact: David Pecorora.

ComPsych Behavioral Health Corp.

515 N. State, Suite 2310, Chicago, Ill. 60610; 312-595-4000; fax: 312-595-4029

Staff

Salaried employees 62
Includes: 1 psychiatrist, 4 psychologists, 15 social workers, 1 marriage/family/child counselor
Contracted professionals 4,200
Includes: 410 psychiatrists, 1,480 psychologists, 2,310 social workers

Facilities

Total 334

EAP clients

Total 220
Lives covered at year-end 1994 550,000
Employees 220,000
Dependents 330,000

Mental health network clients

Total 5
Lives covered at year-end 1994 112,500
Employees 45,000
Dependents 67,500

1994 revenues

EAP services 70%
Managed mental health care services 40%

Services began: 1984.
For profit.
Assessments & treatments: Standard services.
Health promotion: Standard services, excluding smoking cessation.
Educational/general services: Standard services, including psychiatric disability review, psychiatric workers comp review, family and dependent care program.
Utilization review: Inpatient and outpatient precertification, concurrent review.
Counseling sites: Worksites, EAP/mental health care facilities, phone counseling.
Specialties: Financial services, waste management, small business.
Service area: United States, Canada, Puerto Rico.
Reporting: Quarterly.
Billing: Capitated fee, $2-$5 per employee per month.
Officers: Richard A. Chaifetz, CEO; David S. Levine, senior vp.

Concern: Counseling Assistance Program

8280 Montgomery Road, Cincinnati, Ohio 45236; 513-891-1627; fax: 513-891-0673

Staff

Salaried employees 49
Includes: 1 psychiatrist, 1 psychologist, 25 social workers, 22 professional/mental health counselors

Facilities

Total 4

EAP clients

Total 135
Lives covered at year-end 1994 208,117
Employees 80,045
Dependents 128,000

Mental health network clients

Total 5
Lives covered at year-end 1994 94,214
Employees 36,236
Dependents 57,978

1994 revenues

Total $4,700,000
EAP services 42%
Managed mental health care services 56%

Services began: 1984.
Parent: Bethesda Healthcare Inc.
Not for profit.
Assessments & treatments: Standard services.
Health promotion: Stress management, alcohol awareness, drug/chemical awareness, elder care.
Educational/general services: Standard services, including workplace violence.
Utilization review: Standard services.
Counseling sites: Worksites, EAP/mental health care facilities, phone counseling.
Service area: Indiana: Dearborn and Franklin counties; Kentucky: Boone, Campbell, Grant and Keaton counties; Ohio.
Reporting: Quarterly.
Billing: Flat fee; capitated fee; fee for service.
Officers: Dan Ansel, vp; Lois Jones, manager; Judie Garvin, Jan O'Hair, Brenda Hale, supervisors.
Contact: Lois Jones.

CORPHEALTH Inc.

1300 Summit Ave., Suite 600, Fort Worth, Texas 76102; 817-332-2519; fax: 817-335-9100

Staff

Salaried employees 55
Contracted professionals 4,800

Facilities

Total 300

EAP clients

Total 27
Lives covered at year-end 1994 100,000

Mental health network clients

Total 35
Lives covered at year-end 1994 400,000

Services began: 1987.
For profit.
Assessments & treatments: Standard services.
Health promotion: Standard services, including physical fitness/exercise.
Educational/general services: Standard services, including psychiatric disability review.
Utilization review: Standard services.
Counseling sites: Clients' headquarters only, EAP/mental health care facilities, physicians' offices, phone counseling.
Specialties: Insurance carriers, HMOs.
Service area: 47 states.
Reporting: Monthly.
Billing: Flat fee; capitated fee; fee for service.
Officers: Patrick D. Gotcher, president/CEO; David L. Redfield, COO; Robert Cull, vp-operations; Anita Poole, vp-provider network development; Kris Greenwood, vp-clinical affairs.
Contact: Charlotte McCluskey.

Corporate Health Services

253 Witherspoon St., Princeton, N.J. 08540; 609-497-4210; fax: 609-497-4990

Staff

Salaried employees 13
Includes: 1 psychiatrist, 2 psychologists, 1 social worker, 1 marriage/family/child counselor, 3 professional/mental health counselors, 2 physicians
Contracted professionals 13
Includes: 1 psychiatrist, 12 physicians

Facilities

Total 4

EAP clients

Total 45
Lives covered at year-end 1994 45,000
Employees 18,000
Dependents 27,000

Mental health network clients

Total 25
Lives covered at year-end 1994 21,250
Employees 8,500
Dependents 12,750

1994 revenues

EAP services 60%
Managed mental health care services 40%

Parent: The Medical Center at Princeton.
Not for profit.
Assessments & treatments: Standard services, including all psychiatric/mental health problems, critical incident counseling/debriefing.
Health promotion: Standard services, including physical fitness/exercise, wellness programs, medical screenings/education.
Educational/general services: Standard services, including psychiatric disability review, psychiatric workers comp review, medical issues, educational workshops.
Utilization review: Standard services.
Counseling sites: Worksites, EAP/mental health care facilities, phone counseling.
Specialties: Medical, educational, research.
Service area: 25 states.
Reporting: Quarterly.
Billing: Capitated fee; fee for service.
Officers: Dennis Doody, CEO/president; Joseph Bonano, executive vp; Richard Wohl, vp.

E

EAP Works Inc./ Managed Care Works

2636 Oak St., Jacksonville, Fla. 32204; 904-384-9436; fax: 904-384-0350

Staff

Salaried employees 10
Contracted professionals 150

Facilities

Total 500

EAP clients

Total 50

Mental health network clients

Total ..... NA

Services began: 1989.
For profit.
Assessments & treatments: Standard services.
Health promotion: Standard services, excluding smoking cessation, nutrition/weight control.
Educational/general services: Standard services.
Utilization review: Standard services.
Counseling sites: Worksites.
Specialties: Health care, manufacturing, colleges.
Service area: Nationwide.
Reporting: Monthly.
Billing: Flat fee.
Officers: Cynthia Persico, president; Bill Johns, vp.

Employee Assistance Service Inc.

7918 Jones Branch Drive, Suite 230, McLean, Va. 22102; 703-448-8101; fax: 703-448-8674

Staff

Salaried employees 60
Includes: 5 psychiatrists, 20 psychologists, 30 social workers, 5 marriage/family/child counselors
Contracted professionals 4,000
Includes: 350 psychiatrists, 1,500 psychologists, 1,700 social workers, 200 marriage/family/child counselors, 350 professional/mental health counselors

Facilities

Total 600

EAP clients

Total 300
Lives covered at year-end 1994 350,000
Employees 100,000
Dependents 250,000

Mental health network clients

Total 75
Lives covered at year-end 1994 250,000
Employees 75,000
Dependents 175,000

Services began: 1984.
For profit.
Assessments & treatments: Standard services.
Health promotion: Standard services, including physical fitness/exercise, violence prevention.
Educational/general services: Standard services, including psychiatric disability review, psychiatric workers comp review, organization development/consultation.
Utilization review: Standard services.
Counseling sites: Worksites, EAP/mental health care facilities, phone counseling.
Service area: United States; Canada; Europe; Far East; Mexico; United Kingdom.
Reporting: Monthly, quarterly, annually, by request.
Billing: Flat fee; capitated fee; fee for service; percentage of savings.
Officers: Gail E. Gibson, president/CEO.

Employee Counseling Service

2650 Olive St., St. Louis, Mo. 63103; 800-633-9672; fax: 314-371-6508

Facilities

Total 9

EAP clients

Total 50
Lives covered at year-end 1994 70,000
Employees 70,000

Mental health network clients

Total 5
Lives covered at year-end 1994 ..... NA
Employees 100,000

Services began: 1979.
Parent: Provident Counseling Inc.
Not for profit.
Assessments & treatments: Standard services.
Health promotion: Standard services, including physical fitness/exercise.
Educational/general services: Standard services, including psychiatric disability review, psychiatric workers comp review.
Utilization review: Standard services.
Counseling sites: EAP/mental health care

Continued on next page

Continued from previous page
acilities, phone counseling.
Service area: Midwest.
Reporting: By request.
Contact: Philip B. Crause.

Employee Resource Systems Inc.

1 E. Wacker Drive, Suite 2122; Chicago, Ill. 60601; 312-494-2780; fax: 312-494-1424

Staff

Salaried employees....6
Includes: 4 social workers, 2 professional/mental health counselors
Contracted professionals....830
Includes: 150 psychiatrists, 220 psychologists, 370 social workers, 60 marriage/family/child counselors, 30 professional/mental health counselors

EAP clients

Total....26
Lives covered at year-end 1994....158,000
Employees....45,000
Dependents....113,000

Mental health network clients

Total....5
Lives covered at year-end 1994....72,000
Employees....18,000
Dependents....54,000

Services began: 1993.
For profit.
Assessments & treatments: Standard services.
Health promotion: Standard services, excluding nutrition/weight control.
Educational/general services: Standard services.
Utilization review: Standard services, excluding inpatient precertification.
Counseling sites: Worksites, EAP/mental health care facilities, phone counseling.
Service area: Nationwide.
Reporting: Quarterly.
Billing: Flat fee; capitated fee; fee for service.
Officers: Gary S. Cohen, CEO; William R. Heffernan, COO.

Equifax Healthcare Administrative Services

5001 Spring Valley Road, Suite 1000E, Dallas, Texas 75244; 214-789-6421

Staff

Salaried employees....2
Includes: 2 professional/mental health counselors
Contracted professionals....307
Includes: 27 psychiatrists, 122 psychologists, 74 social workers, 129 marriage/family/child counselors, 185 professional/mental health counselors

Facilities

Total....55

Mental health network clients

Total....9
Lives covered at year-end 1994....16,211
Employees....6,484
Dependents....9,727

Services began: 1991.
Parent: Equifax Inc.
For profit.
Assessments & treatments: Standard services.
Health promotion: Standard services, excluding AIDS awareness and elder care.
Educational/general services: Standard services, including psychiatric disability review, psychiatric workers comp review.
Utilization review: Standard services.
Counseling sites: Worksites, EAP/mental health care facilities, physicians' offices, phone counseling, providers' offices.
Specialties: Self-insured employers.
Service area: California, Florida, Georgia, Illinois, Kansas, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, New York, Ohio, Oklahoma, Texas, Virginia, West Virginia.
Reporting: Monthly, quarterly, annually, by request.
Billing: Capitated fee; fee for service.
Officers: Charles Page, president; Mike Kenney, COO; Nancy Coleman, vp-health care administration; Tom Dubowski, vp/controller; Leah Ward-Lee, vp/chief information officer.
Contact: Susan Smith.

F

FPM Behavioral Health Inc.

1276 Minnesota Ave., Winter Park, Fla. 32789; 407-647-6153; fax: 407-647-0668

Staff

Salaried employees....167
Includes: 10 psychiatrists, 4 psychologists, 20 social workers, 10 marriage/family/child counselors, 12 professional/mental health counselors
Contracted professionals....1,100
Includes: 230 psychiatrists, 340 psychologists, 360 social workers, 70 marriage/family/child counselors, 100 professional/mental health counselors

Facilities

Total....50

EAP clients

Total....9
Lives covered at year-end 1994....141,000

Mental health network clients

Total....15
Lives covered at year-end 1994....625,000

Services began: 1987.
Parent: Ramsay Managed Care Inc.
For profit.
Assessments & treatments: Standard services.
Health promotion: Standard services, including physical fitness/exercise.
Educational/general services: Standard services, including psychiatric disability review, psychiatric workers comp review.
Utilization review: Standard services.
Counseling sites: Worksites, EAP/mental health care facilities, phone counseling, staff model offices.
Specialties: Public utilities; entertainment/hospitality; hospitals; school boards; business coalitions.
Service area: Arizona, Florida, Hawaii, Louisiana, Ohio, West Virginia.
Reporting: Quarterly, annually.
Billing: Flat fee; capitated fee; fee for service.
Officers: Gregory H. Browne, chairman; Martin Lazoritz, president/CEO; Richard C. Peters, executive vp; I. Paul Mandelkern, senior vp/general counsel; Gordon Steinhauer, vp-operations.
Contact: Richard C. Peters, executive vp.

Families First

1105 W. Peachtree St. N.E., Atlanta, Ga. 30309; 404-853-2800 or 404-853-2862; fax: 404-853-2889

Staff

Salaried employees....37
Includes: 31 social workers, 3 marriage/family/child counselors, 3 professional/mental health counselors
Contracted professionals....1
Includes: 1 psychiatrist

Facilities

Total....9

EAP clients

Total....110
Lives covered at year-end 1994....45,000
Employees....31,500
Dependents....13,500

Mental health network clients

Total....3
Lives covered at year-end 1994....6,000
Employees....3,000
Dependents....3,000

1994 revenues

Total....$6,200,000
EAP services....19%
Managed mental health care services....5%

Services began: 1920.
Not for profit.
Assessments & treatments: Standard services.
Health promotion: Stress management, alcohol awareness, drug/chemical awareness.
Educational/general services: Standard services.
Utilization review: Concurrent review, case management, gatekeeper function.
Counseling sites: EAP/mental health care facilities.
Service area: Georgia: Atlanta metropolitan area; Butts, Clayton, Cobb, DeKalb, Douglas, Fayette, Fulton, Gwinnett, Henry and Rockdale counties.
Reporting: Quarterly, by request.
Billing: Flat fee; capitated fee, $1.90-$3.00 per employee per month; fee for service.
Officers: Robert Weaver, executive director; Pat Showell, assistant executive director; Anthony Montag, president; J. Michael McCarthy, vp.
Contact: Coordinator-corporate services.

G

GHI Behavioral Management Program

441 Ninth Ave., New York, N.Y. 10001; 212-560-7600; fax: 212-560-7629

Staff

Salaried employees....75
Includes: 1 psychiatrist, 3 psychologists, 21 social workers
Contracted professionals....7,422
Includes: 896 psychiatrists, 3,279 psychologists, 3,247 social workers

Facilities

Total....310

Mental health network/EAP clients*

Total....8
Lives covered at year-end 1994....760,000
Employees....323,500
Dependents....436,500

1994 revenues

Total....$43,665,000
EAP services....3%
Managed mental health care services....97%
** Mental health network and EAP client figures are all inclusive. EAP services are available to all members under the full managed care plan.*

Services began: 1994.
Parent: Group Health Inc.
Not for profit.
Assessments & treatments: Standard services, excluding occupational problems. Also provides mental health problems.
Health promotion: Stress management, alcohol awareness, drug/chemical awareness, AIDS awareness, elder care, child care, financial management.
Educational/general services: Standard services.
Utilization review: Standard services, including 24-hour clinical referral line.
Counseling sites: Worksites, EAP/mental health care facilities, physicians' offices, phone counseling.
Service area: Nationwide.
Reporting: Quarterly, by request.
Billing: Flat fee; capitated fee; fee for service.
Officers: Frank J. Branchini, CEO; Steven Kessler, John Dolan, vps; Ann Browne, director-operations; Alan Lipschitz, medical director.
Contact: Steven Kessler, 212-615-0808.

Green Spring Health Services Inc.

5565 Sterrett Place, Suite 500, Columbia, Md. 21044; 410-740-9501; fax: 410-740-8573

Staff

Salaried employees....619
Includes: 13 psychiatrists, 31 psychologists, 87 social workers, 30 professional/mental health counselors
Contracted professionals....27,768
Includes: 5,654 psychiatrists, 9,373 psychologists, 9,631 social workers, 15,836 marriage/family/child counselors, 3,110 professional/mental health counselors

Facilities

Total....5,801

EAP clients

Total....1,201
Lives covered at year-end 1994....670,304
Employees....291,437
Dependents....378,867

Mental health network clients

Total....45,000
Lives covered at year-end 1994....10,062,112
Employees....4,374,831
Dependents....5,687,281

1994 revenues

Total....$132,000,000
EAP services....5%
Managed mental health care services....95%

Services began: 1989.
For profit.
Assessments & treatments: Standard services, including geriatric.
Health promotion: Stress management, alcohol awareness, drug/chemical awareness, elder care.
Educational/general services: Standard services, including psychiatric workers comp review.
Utilization review: Standard services, including retrospective review.
Counseling sites: Worksites, EAP/mental health care facilities, physicians' offices, phone counseling.
Service area: Nationwide.
Reporting: Quarterly.
Billing: Capitated fee.
Officers: Henry T. Harbin, president/CEO; Charles S. Kanach, executive vp; Charles Kiskaden, senior vp/chief marketing officer; Clarissa Marques, senior vp/chief clinical officer; Jonathan Book, senior vp/chief medical officer.

H

HHRC

7798 Starling Drive, San Diego, Calif. 92123; 619-571-1698; fax: 619-571-1868

Staff

Salaried employees....30
Includes: 1 psychiatrist, 2 psychologists, 8 social workers, 5 marriage/family/child counselors
Contracted professionals....2,000

Facilities

Total....30

EAP clients

Total....220
Lives covered at year-end 1994....200,000
Employees....85,000
Dependents....115,000

Mental health network clients

Total....8
Lives covered at year-end'1994....18,000
Employees....8,000
Dependents....10,000

1994 revenues

EAP services....80%
Managed mental health care services....10%

Services began: 1979.
For profit.
Assessments & treatments: Standard services.
Health promotion: Stress management, alcohol awareness, drug/chemical awareness, AIDS awareness, elder care.
Educational/general services: Standard services, including psychiatric disability review, psychiatric workers comp review, executive coaching, critical incident stress debriefing, threat assessment, conflict resolution.
Utilization review: Standard services.
Counseling sites: Worksites, EAP/mental health care facilities, physicians' offices, phone counseling, providers' offices.
Service area: Nationwide.
Reporting: Quarterly.
Billing: Flat fee; capitated fee; fee for service.
Officers: Stephen Heidel, president/CEO; Peggy Wagner, director-operations; Marta Phillips, director-sales/marketing.
Contact: Marta Phillips.

HEALTH DIRECT

1011 E. Touhy Ave., Des Plaines, Ill. 60018; 708-391-9500; fax: 708-390-7715

Staff

Salaried employees....9
Includes: 2 psychiatrists, 1 psychologist, 1 social worker, 1 marriage/family/child counselor
Contracted professionals....589
Includes: 131 psychiatrists, 132 psychologists, 203 social workers, 123 marriage/family/child counselors

Facilities

Total....31

1994 revenues

Total....$32,000,000
Managed mental health care services....7%

Services began: 1980.
Parent: Advocate Health Care.
For profit.
Assessments & treatments: Standard services.
Health promotion: Standard services, including physical fitness/exercise.
Educational/general services: Standard services, including psychiatric disability review.
Utilization review: Standard services.
Counseling sites: Worksites, EAP/mental health care facilities, physicians' offices, phone counseling.
Specialties: Health care organizations, advertising firms.
Service area: Illinois.
Reporting: Quarterly, by request.
Billing: Flat fee; capitated fee.
Officers: Charles Stark, president/CEO; Jenifer Cline, COO; Kerry Finnegan, vp-sales/marketing; Les Preuss, vp-finance/administration; Jay Gore, vp-MIS.
Contact: Julie Barth, marketing manager.

Healthwise

203 South Ave. E., Westfield, N.J. 07090; 908-654-0700 or 800-624-1696; fax: 908-654-0158

Staff

Salaried employees....6
Includes: 1 psychiatrist, 4 social workers, 1 physician
Contracted professionals....2

Services began: 1982.
Not for profit.
Assessments & treatments: Standard services, geriatric care management.
Health promotion: Stress management, alcohol awareness, drug/chemical awareness, elder care.
Educational/general services: Standard services.
Utilization review: Standard services.
Counseling sites: Worksites, EAP/mental health care facilities, phone counseling.
Specialties: Multiemployer welfare funds.
Service area: Nationwide.
Reporting: Quarterly.
Billing: Capitated fee; fee for service.
Officers: Jean R. Truitt.

The directory of employee assistance programs begins on page 12. All organizations listed in the managed mental health care section offer EAP services, unless noted.

Human Affairs International

488 East 6400 South, Suite 100, Salt Lake City, Utah 84107-7590; 801-578-7300; fax: 801-578-7662

Staff

Salaried employees....765
Contracted professionals....12,006
Includes: 3,570 psychiatrists, 4,289 psychologists, 3,268 social workers, 454 marriage/family/child counselors, 425 professional/mental health counselors

EAP clients

Lives covered at year-end 1994....3,200,000
Employees....1,400,000
Dependents....1,800,000

Mental health network clients

Lives covered at year-end 1994....11,300,000
Employees....4,800,000
Dependents....6,500,000

1994 revenues

Total....$88,000,000
EAP services....45%
Managed mental health care services....55%

Parent: Aetna Life & Casualty Co.
For profit.
Assessments & treatments: Standard services.
Health promotion: Standard services, including physical fitness/exercise.
Educational/general services: Standard services, including psychiatric disability review, psychiatric workers comp review.
Utilization review: Standard services.
Counseling sites: Worksites, EAP/mental health care facilities, physicians' offices, phone counseling.
Service area: International.
Reporting: By request.
Billing: Flat fee; capitated fee, $2.21 per employee per month; fee for service.
Officers: Jack William, president/CEO.
Contact: Stephanie Boyer, vp-marketing.

I

InInCom Managed Care Inc.

P.O. Box 486, Warwick, N.Y. 10990; 800-872-2400; fax: 914-986-8307

Staff

Salaried employees....5
Includes: 1 psychiatrist, 1 psychologist, 3 social workers
Contracted professionals....520
Includes: 90 psychiatrists, 190 psychologists, 153 social workers

Facilities

Total....40

Mental health network/EAP clients*

Total....3
Lives covered at year-end 1994....15,000
Employees....5,000
Dependents....10,000

1994 revenues

Managed mental health care services....100%
** Client figures are all inclusive and reflect lives covered for EAP services, which are provided at no additional expense to clients.*

Services began: 1991.
For profit.
Assessments & treatments: Standard services, excluding legal problems.
Health promotion: Stress management, alcohol awareness, drug/chemical awareness.
Educational/general services: Standard services, including psychiatric disability review, psychiatric workers comp review.
Utilization review: Standard services.
Counseling sites: EAP/mental health care facilities, physicians' offices, phone counseling.
Service area: New Jersey, New York, eastern Pennsylvania.
Reporting: By request.
Billing: Fee for service.
Officers: William Derivan, president; Richard Pozzuto, vp.

Integra

1060 First Ave., Suite 400, King of Prussia, Pa. 19406; 610-992-7000; fax: 610-992-7046

Staff

Salaried employees....800
Includes: 160 psychiatrists, 190 psychologists, 250 social workers, 75 marriage/family/child counselors, 125 professional/mental health counselors
Contracted professionals....12,000
Includes: psychiatrists, psychologists, social workers, marriage/family/child counselors, professional/mental health counselors

Facilities

Total....1,200

EAP clients

Total....125

Continued on next page

Continued from previous page

Lives covered at year-end 1994	**525,000**
Employees	200,000
Dependents	325,000
Mental health network clients	
Total	12
Lives covered at year-end 1994	242,500
Employees	95,850
Dependents	146,650
1994 revenues	
EAP services	50%
Managed mental health care services	50%

Services began: 1979.
Parent: APOGEE.
For profit.
Assessments & treatments: Standard services, excluding legal problems.
Health promotion: Stress management, alcohol awareness, drug/chemical awareness, AIDS awareness, elder care.
Educational/general services: Standard services, including psychiatric disability review, psychiatric workers comp review.
Utilization review: Standard services.
Counseling sites: EAP/mental health care facilities, physicians' offices, phone counseling.
Service area: Nationwide.
Reporting: Quarterly, annually.
Billing: Flat fee; capitated fee.
Contact: Mary Peak.

INTERACT Behavioral Healthcare Services Inc.

1808 E. Broad St., Columbus, Ohio 43203; 614-251-8242

Staff	
Salaried employees	50
Includes: 2.5 psychiatrists, 7 psychologists, 8 social workers, 14 professional/mental health counselors	
Contracted professionals	220
Includes: 42 psychiatrists, 53 psychologists, 88 social workers, 37 professional/mental health counselors	
Facilities	
Total	20
EAP clients	
Lives covered at year-end 1994	28,000
Employees	10,000
Dependents	18,000
Mental health network clients	
Lives covered at year-end 1994	104,000
1994 revenues	
Total	$3,700,000
EAP services	13%
Managed mental health care services	84%

Services began: 1979.
For profit.
Assessments & treatments: Standard services, including critical incident debriefing.
Health promotion: Standard services.
Educational/general services: Standard services, including psychiatric disability review, psychiatric workers comp review.
Utilization review: Standard services.
Counseling sites: Worksites, EAP/mental health care facilities, phone counseling.
Specialties: Private industry, public schools, governmental agencies, health care industry.
Service area: Primarily Ohio.
Reporting: Monthly, quarterly, annually.
Billing: Capitated fee; fee for service.
Officers: James M. Shulman, CEO; Judyth Box, medical director; James Fidelibus, director-research/program development; Michael Brickey, director-training/resource development; Jacqueline Shulman, director-operations.
Contact: James M. Shulman.

Interface EAP Inc.

7670 Woodway, Suite 350, Houston, Texas 77063; 713-781-3364; fax: 713-781-4954

Staff	
Salaried employees	17
Includes: 1 psychiatrist, 2 psychologists, 2 social workers, 4 professional/mental health counselors	
Contracted professionals	2,914
Includes: 367 psychiatrists, 483 psychologists, 395 social workers, 230 marriage/family/child counselors, 819 professional/mental health counselors, 367 physicians	
Facilities	
Total	162
EAP clients	
Total	121
Lives covered at year-end 1994	96,084
Employees	37,680
Dependents	58,404
Mental health network clients	
Total	97
Lives covered at year-end 1994	76,920
Employees	30,165
Dependents	46,755
1994 revenues	
EAP services	30%
Managed mental health care services	70%

Services began: 1989.
For profit.
Assessments & treatments: Standard services.
Health promotion: Standard services, including physical fitness/exercise.
Educational/general services: Standard services, including psychiatric disability review, psychiatric workers comp review.
Utilization review: Standard services.
Counseling sites: Worksites. EAP/mental health care facilities, physicians' offices, providers' offices.
Specialties: Self-funded employers, school districts, cities, multi-state employers.
Service area: 40 states.
Reporting: Quarterly.
Billing: Capitated fee; fee for service.
Officers: Fred Newman, president; Lizz Scott, vp.
Contact: Lizz Scott or Bobbie Dusek.

Jesko Associates Inc.

1521 N. Cooper, Suite 550 L.B. 41, Arlington, Texas 76011; 817-265-5400; fax: 817-265-8219

Staff	
Salaried employees	21
Includes: 7 social workers, 2 marriage/family/child counselors, 1 professional/mental health counselor	
Contracted professionals	650
Includes: 115 psychiatrists, 150 psychologists, 150 social workers, 150 marriage/family/child counselors, 190 professional/mental health counselors	
EAP clients	
Total	40
Mental health network clients	
Total	17

Services began: 1979.
For profit.
Assessments & treatments: Standard services, excluding legal problems.
Health promotion: Standard services.
Educational/general services: Standard services.
Utilization review: Standard services, including claims adjudication.
Counseling sites: Worksites, EAP/mental health care facilities, physicians' offices, phone counseling.
Specialties: Banking/credit unions, health care, insurance, municipalities, petro-chemical, utilities.
Service area: Alabama, Arkansas, Georgia, Illinois, Kansas, Louisiana, Mississippi, New Mexico, Ohio, Oklahoma, South Carolina, Texas, Wisconsin.
Reporting: Quarterly, annually, by request.
Billing: Flat fee; capitated fee; fee for service.
Officers: Joe Jesko, president/CEO; Tom L. Chancellor, director-clinical services; Tina Green, director-provider relations; William deHaas, director-account management; Charlotte Irwin, system administrator.
Contact: Joe Jesko.

MCC Behavioral Care Inc.

11095 Viking Drive, Eden Prairie, Minn. 55344; 800-433-5768

Staff	
Salaried employees	1,124
Contracted professionals	11,609
Includes: 2,442 psychiatrists, 3,846 psychologists, 2,657 social workers, 2,664 marriage/family/child counselors	
Facilities	
Total	1,175
EAP clients	
Total	231
Lives covered at year-end 1994	529,000
Employees	211,000
Dependents	318,000
Mental health network clients	
Total	138
Lives covered at year-end 1994	2,233,000
Employees	889,000
Dependents	1,334,000
1994 revenues	
Total	$183,085,000
EAP services	2.6%
Managed mental health care services	23.4%

Services began: 1974.
Parent: CIGNA Healthcare.
For profit.
Assessments & treatments: Standard services.
Health promotion: Smoking cessation, stress management, alcohol awareness, drug/chemical awareness, elder care.
Educational/general services: Standard services.
Utilization review: Standard services.
Counseling sites: Worksites, EAP/mental health care facilities, physicians' offices, phone counseling.
Service area: Florida, Indiana, Kentucky, Ohio, Tennessee.
Reporting: Monthly, quarterly, annually, by request.
Billing: Capitated fee.
Officers: John J. Kelly, acting president/CEO; Mark Ahearn, vp-planning/development.
Contact: Mark Ahearn, 502-561-0293.

Managed Health Network

5100 W. Goldleaf Circle, Suite 300, Los Angeles, Calif. 90056; 213-299-0999; fax: 213-298-2770

Staff	
Salaried employees	310
Includes: 3 psychiatrists, 62 psychologists, 121 social workers, 46 marriage/family/child counselors, 78 professional/mental health counselors	
Contracted professionals	9,548
Includes: 1,551 psychiatrists, 3,443 psychologists, 2,634 social workers, 768 marriage/family/child counselors, 1,152 professional/mental health counselors	
Facilities	
Total	427
EAP clients	
Total	171
Lives covered at year-end 1994	1,023,000
Employees	682,000
Dependents	341,000
Mental health network clients	
Total	165
Lives covered at year-end 1994	712,500
Employees	475,000
Dependents	237,500
1994 revenues	
Total	$40,032,620
EAP services	26%
Managed mental health care services	74%

Services began: 1972.
For profit.
Assessments & treatments: Standard services, including critical incident stress debriefing.
Health promotion: Stress management, alcohol awareness, drug/chemical awareness, AIDS awareness, elder care, child care, financial management.
Educational/general services: Standard services, including workplace violence seminars.
Utilization review: Standard services, including retrospective review, appeals.
Counseling sites: Worksites, EAP/mental health care facilities, physicians' offices, phone counseling.
Service area: Nationwide.
Reporting: Quarterly, annually, by request.
Billing: Flat fee; capitated fee.
Officers: Ron Moreland, chairman/CEO; Alethea Caldwell, president/COO; Peter Sterman, senior vp-marketing; David Buhler, vp/CFO; Greg Miller, vp/medical director.
Contact: Peter Sterman.

Maschhoff, Barr & Associates/Green Spring Washington*

P.O. Box 11268, Tacoma, Wash., 98411-0268; 800-441-3119; fax: 206-596-5656

Services began: 1979.
Parent: Green Spring Health Services.
For profit.
Health promotion: Stress management, alcohol awareness, drug/chemical awareness, AIDS awareness, elder care.
Educational/general services: Standard services.
Counseling sites: Worksites, EAP/mental health care facilities, phone counseling, private practice clinician offices.
Service area: United States, Guam, Puerto Rico.
Reporting: Quarterly, annually, by request.
Billing: Capitated fee; fee for service.
Officers: William C. Barr, COO/executive director; Charles Meade, director-clinical services; Lou Morin, director-EAP; Steve VerValin, controller; Oleana Wasankari, director-administrative services.
Contact: Kay Perret.
**All figures for Maschhoff, Barr & Associates/Green Spring Washington are provided under the parent company, Green Spring Health Services Inc.*

Medical Business Management Inc.

3490 Independence Drive, Birmingham, Ala. 35209, 205-871-7814; fax: 205-868-4278

Staff	
Salaried employees	16
Includes: 4 social workers, 2 marriage/family/child counselors, 3 professional/mental health counselors	
Contracted professionals	232
Includes: 75 psychiatrists, 75 psychologists, 50 social workers, 10 marriage/family/child counselors, 20 professional/mental health counselors, 2 physicians	
Facilities	
Total	17
EAP clients	
Total	19
Lives covered at year-end 1994	155,000
Employees	45,000
Dependents	110,000
Mental health network clients	
Total	11
Lives covered at year-end 1994	119,000
Employees	35,000
Dependents	84,000
1994 revenues	
Total	$3,900,000
EAP services	24%
Managed mental health care services	76%

Services began: 1990.
For profit.
Assessments & treatments: Standard services.
Health promotion: Standard services, ex-

Continued on next page

Carvill

Reinsurance Intermediary

INDEPENDENCE
INTEGRITY
SERVICE

CONSISTENT PHILOSOPHY & PERFORMANCE
SINCE 1977

Atlanta Bermuda Chicago London Stamford

Continued from previous page
cluding elder care. Also provides physical fitness/exercise.

Educational/general services: Standard services, including psychiatric disability review, psychiatric workers comp review.

Utilization review: Standard services.

Counseling sites: Worksites, physicians' offices, phone counseling.

Service area: Alabama, Arkansas, Florida, Georgia, Indiana, Kentucky, Louisiana, Michigan, Mississippi, Ohio, South Carolina, Tennessee, Texas.

Reporting: Monthly.

Billing: Flat fee; capitated fee; fee for service.

Officers: Allen S. Blackwell, president; H.E. Logue, medical director; Lita A. Clark, director-EAPs; Carolyn S. Ellis, director-managed care services.

Contact: Allen S. Blackwell.

Menninger Care Systems

10 E. Cambridge Circle Drive, Kansas City, Kan. 66103,; 800-624-5544; fax: 913-281-0084

Staff

Salaried employees....47
Includes: 2 psychiatrists, 8 psychologists, 20 social workers, 2 marriage/family/child counselors, 3 professional/mental health counselors
Contracted professionals....2,160
Includes: 373 psychiatrists, 540 psychologists, 1,160 social workers, 87 professional/mental health counselors

EAP clients

Total....325
Lives covered at year-end 1994....324,000
Employees....185,000
Dependents....239,000

Mental health network clients

Total....16
Lives covered at year-end 1994....229,000

1994 revenues

EAP services....24%
Managed mental health care services....76%

Services began: 1978.

Parent: The Menninger Foundation.

For profit.

Assessments & treatments: Standard services, excluding adolescent treatment. Also provides dependent care.

Health promotion: Stress management, alcohol awareness, drug/chemical awareness.

Educational/general services: Standard services, including psychiatric disability review, psychiatric workers comp review.

Utilization review: Standard services.

Counseling sites: Worksites, EAP/mental health care facilities.

Service area: United States, Canada, Puerto Rico.

Reporting: Monthly.

Billing: Flat fee; capitated fee, $18.95-$31.10 per employee per year; $1.25-$3.78 per member per month for managed mental health services.

Officers: Larry Peterson, CEO; RIchard Ready, COO.

Contact: Richard Ready.

Mental Heath Consultants Inc.

1878 Sugar Bottom Road, Furlong, Pa. 18925; 215-345-7838; fax: 215-345-8488

Staff

Salaried employees....4
Includes: 2 professional/mental health counselors
Contracted professionals....251
Includes: 65 psychiatrists, 150 psychologists, 26 social workers, 10 professional/mental health counselors

Facilities

Total....26

Mental health network/EAP clients

Total....70
Lives covered at year-end 1994....645,000
Employees....300,000
Dependents....345,000

1994 revenues

Managed mental health care/EAP services....100%

Services began: 1980.

For profit.

Assessments & treatments: Standard services.

Health promotion: Standard services, including physical fitness/exercise.

Educational/general services: Standard services, including psychiatric disability review, psychiatric workers comp review.

Utilization review: Standard services.

Counseling sites: Worksites, physicians' offices.

Service area: New Jersey: Atlantic, Bergen, Burlington, Camden, Cape May, Cumberland, Essex, Gloucester, Hudson, Hunterdon, Mercer, Middlesex, Monmouth, Morris, Ocean, Passaic, Salem, Somerset, Susex, Union and Warren counties; Pennsylvania: Adams, Berks, Bucks, Chester, Delaware, Lancaster, Lehigh, Monroe, Montgomery, Northampton and York counties.

Reporting: By request.

Billing: Flat fee; capitated fee; fee for service.

Officers: Edward J. Haaz, president; Cyndi L. Glauser, secretary.

Contact: Edward J. Haaz.

Mental Health Provider Systems

5370 S.O.M. Center Road, Willoughby, Ohio 44094, 800-255-6339; fax: 216-946-4117

Staff

Salaried employees....3
Includes: 1 psychiatrist, 1 psychologist, 1 social worker
Contracted professionals....205
Includes: 35 psychiatrists, 75 psychologists, 85 social workers, 5 marriage/family/child counselors, 5 professional/mental health counselors

Mental health network clients

Total....1
Lives covered at year-end 1994....7,650
Employees....2,950
Dependents....4,700

1994 revenues

Total....$52,000
Managed mental health care services....100%

Services began: 1991.

For profit.

Assessments & treatments: Standard services, excluding legal problems, financial concerns.

Utilization review: Standard services.

Counseling sites: Mental health care facilities, physicians' offices.

Service area: Ohio: Ashtabula, Cuyahoga, Franklin, Geauga, Knox, Lake, Lorain, Mahoning, Richmond, Stark, Summit and Trumbull counties; Texas: primarily Houston and Pasadena area.

Reporting: Monthly, annually, by request.

Billing: Administrative fee.

Officers: Roger N. Hess, president/CEO; Joel S. Steinberg, medical director; John B. Sawyer, director-utilization review/quality assurance; Ira Friedman, director-programs; Deborah K. Druhot, administrative director; Toine D. Frate, director-social work.

Contact: Deborah K. Druhot.

EAP services are not available.

Meridian Resource Corp.

401 W. Michigan St., Milwaukee, Wis. 53203; 414-226-5385; fax: 414-226-5109

Staff

Salaried employees....4
Includes: 1 psychologist, 1 social worker, 2 physicians
Contracted professionals....7
Includes: 2 psychologists, 2 social workers, 3 professional/mental health counselors

Facilities

Total....10

EAP clients

Total....15
Lives covered at year-end 1994....20,635
Employees....6,253
Dependents....14,382

Mental health network clients

Total....1
Lives covered at year-end 1994....3,960
Employees....1,200
Dependents....2,760

1994 revenues

Total....$5,874,413
EAP services....2.5%
Managed mental health care services....5%

Services began: 1990.

Parent: Blue Cross & Blue Shield United of Wisconsin.

For profit.

Assessments & treatments: Standard services, including parenting, emotional/mental health.

Health promotion: Stress management, alcohol awareness, drug/chemical awareness, elder care.

Educational/general services: Standard services, including quarterly educational articles.

Utilization review: Standard services, including retrospective review, patient education.

Counseling sites: Worksites, EAP/mental health care facilities, physicians' offices, phone counseling.

Specialties: Banks/savings and loans.

Service area: Illinois, Iowa, Michigan, Missouri, Nebraska, Ohio, Tennessee, Wisconsin.

Reporting: Monthly, quarterly.

Billing: Flat fee; capitated fee, $0.85-$0.95 per employee per month; fee for service.

Officers: Thomas Hefty, president/CEO-United Wisconsin Services; Roger Formisano, president-Meridian Resource Corp.; Richard Christenson, medical director-EAP; Veronica Vincent, director-EAP; Paul Ruklic, director-marketing/sales.

Contact: Paul Ruklic.

Mustard Seed Inc.

3070 Bristol Pike, Suite 102, Bensalem, Pa. 19020; 215-638-2273; fax: 215-638-2952

Staff

Salaried employees....145
Includes: 2 psychiatrists, 3 psychologists, 3 social workers, 2 marriage/family/child counselors, 7 professional/mental health counselors, 2 physicians
Contracted professionals....255
Includes: 39 psychiatrists, 80 psychologists, 36 social workers, 50 marriage/family/child counselors, 50 professional/mental health counselors

Facilities

Total....155

EAP clients

Total....15
Lives covered at year-end 1994....37,000
Employees....15,000
Dependents....22,000

Mental health network clients

Total....2
Lives covered at year-end 1994....110,000

1994 revenues

Total....$22,800,000
EAP services....0.05%
Managed mental health care services....98.2%

Services began: 1985.

For profit.

Assessments & treatments: Stress, occupational problems, family/marital problems, suicide, alcohol abuse, legal problems, drug/chemical abuse, financial concerns, critical incident stress debriefing.

Health promotion: Standard services, including physical fitness/exercise.

Educational/general services: Standard services.

Utilization review: Standard services.

Counseling sites: Worksites, EAP/mental health care facilities.

Service area: Philadelphia metropolitan area.

Reporting: Quarterly.

Billing: Capitated fee; fee for service.

Officers: Frank Selgrath, president/CEO; Martha Waters, COO; Bob Baily, vp-business development; Vicky Ingles, CFO; Howard Dichter, medical director.

Mutual of Omaha Cos. Integrated Behavioral Services

Mutual of Omaha Plaza, 53rd Floor, Omaha, Neb. 68175; 402-351-8044; fax: 402-351-2880

Staff

Salaried employees....33
Includes: 1 psychiatrist, 3 psychologists, 3 social workers, 1 marriage/family/child counselor, 7 professional/mental health counselors
Contracted professionals....15,000
Includes: 4,500 psychiatrists, 5,000 psychologists, 2,500 social workers, 500 marriage/family/child counselors, 2,400 professional/mental health counselors, 100 physicians

EAP clients

Total....40
Lives covered at year-end 1994....40,000
Employees....10,000
Dependents....30,000

Mental health network clients

Total....600
Lives covered at year-end 1994....1,000,000
Employees....350,000
Dependents....650,000

Services began: 1990.

Parent: Mutual of Omaha.

For profit.

Assessments & treatments: Standard services.

Health promotion: Smoking cessation, stress management, alcohol awareness, drug/chemical awareness, elder care.

Educational/general services: Standard services, including psychiatric disability review.

Utilization review: Standard services.

Counseling sites: EAP/mental health care facilities, physicians' offices, phone counseling.

Service area: Nationwide.

Reporting: Quarterly, annually, by request.

Billing: Flat fee.

Officers: Tom Skutt, CEO; Jack Weekly, COO; Steve Booma, director-health care management operations; Randy Horn, senior executive vp-group operations; Bob Murphy vp-health care management.

Contact: Patrick Hoke, product services representative.

PacifiCare Behavioral Health

23046 Avenida de la Carlota, Suite 700, Laguna Hills, Calif. 92653; 714-859-7971; fax: 714-859-9824

Staff

Salaried employees....145
Includes: 2 psychiatrists, 4 psychologists, 4 social workers, 13 marriage/family/child counselors, 5 professional/mental health counselors
Contracted professionals....3,998
Includes: 748 psychiatrists, 1,167 psychologists, 1,115 social workers, 896 marriage/family/child counselors

Facilities

Total....548

EAP clients

Total....58
Lives covered at year-end 1994....64,497
Employees....29,342
Dependents....35,155

Mental health network clients

Total....63
Lives covered at year-end 1994....505,272
Employees....224,462
Dependents....280,810

1994 revenues*

Total....$27,400,525
EAP services....2%
Managed mental health care services....95%

Services began: 1975.

Parent: PacifiCare Health Systems.

For profit.

Assessments & treatments: Standard services.

Health promotion: Standard services, including physical fitness/exercise.

Educational/general services: Standard services, including psychiatric disability review, psychiatric workers comp review.

Utilization review: Standard services.

Counseling sites: Worksites, EAP/mental health care facilities, physicians' offices, phone counseling.

Service area: Arizona, California, Colorado, Florida, Georgia, Kansas, Kentucky, New Mexico, New York, Ohio, Oklahoma, Tennessee, Texas.

Reporting: Quarterly.

Billing: Flat fee; capitated fee.

Officers: S. Alan Savitz, president/CEO; Len Whyte, COO; Claire Hannan, director-finance; Bob Quellmalz, vp-sales/marketing.

Contact: Cher Vierra.

*Pacificare Behavioral Health acquired AcurCare Group on March 1, 1995. *Revenue figures do not include AcurCare.*

Personal Assistance Services (PAS)

9735 Landmark Parkway, Suite 17, St. Louis, Mo. 63127; 314-842-6223 or 800-356-0845; fax: 314-842-6124

Staff

Salaried employees....NA
Includes: 25 social workers
Contracted professionals....NA
Includes: 1 psychiatrist, 2 psychologists, 2 social workers

Services began: 1982.

For profit.

Assessments & treatments: Standard services, including critical incident and elder care.

Health promotion: Standard services, excluding nutrition/weight control.

Educational/general services: Standard services.

Utilization review: Standard services, including 24-hour triage.

Counseling sites: Worksites, phone counseling.

Service area: Missouri: Franklin, Jefferson, St. Charles and St. Louis counties and St. Louis city; Illinois: Jersey, Madison, Monroe and St. Clair counties.

Reporting: Quarterly.

Billing: Flat fee; capitated fee; fee for service.

Officers: Susan Skinner, president.

Perspectives Ltd.

111 N. Wabash, Suite 1620, Chicago, Ill. 60602; 312-558-1563; fax: 312-558-1570

Staff

Salaried employees....35
Includes: 2 psychiatrists, 2 psychologists, 22 social workers, 9 professional/mental health counselors
Contracted professionals....1,500
Includes: 80 psychiatrists, 373 psychologists, 867 social workers, 40 marriage/family/child counselors, 140 professional/mental health counselors

Facilities

Total....126

EAP clients

Total....60
Lives covered at year-end 1994....220,000
Employees....70,000
Dependents....150,000

Mental health network clients

Total....8
Lives covered at year-end 1994....45,000
Employees....15,000
Dependents....30,000

Services began: 1981

For profit.

Assessments & treatments: Standard services, including grief/loss, emotional/mental health issues, child issues.

Health promotion: Standard services, including physical fitness/exercise, parenting, time management, communication skills.

Educational/general services: Standard services, including ADA, sexual harassment.

Utilization review: Standard services, including individual and catastrophic case management.

Counseling sites: Worksites, EAP/mental health care facilities.

Specialties: Manufacturing, unions, financial, educational, health care, consulting firms.

Reporting: By request.

Billing: Flat fee; capitated fee; fee for service.

Officers: Bernie Dyme, president; Jeff Blaine, executive vp-finance; Judi Bank, executive vp-clinical services; Leighton Clark, executive vp-EAP services; Terry Cahill, vp-development.

Contact: Terry Cahill.

Continued on next page

CLAIMS
OVERLOAD
SYSTEMS

SETTING THE STANDARDS FOR TEMPORARY INSURANCE PERSONNEL

Providing Experienced
General Liability, Auto & Workers Comp. Adjusters,
Medical Claim Examiners, Underwriters/Technical Assistants,
That are . . .

Screened & Tested
■
Professional & Reliable
■
Hireable As Permanent Employees
■
Covered By Fidelity, GL, W/C and E&O Insurance

Immediate Service — Offices Nationwide
We Make It Easy!

CALL FOR THE LOCATION NEAREST YOU ■ 800-822-2422

Continued from previous page

Plan 21 Inc.

4550 Post Oak Place Drive, Suite 341, Houston, Texas 77027; 713-621-6500 or 800-622-7276; fax: 713-621-6560

Staff

Salaried employees....35
Includes: 1 psychiatrist, 2 psychologists, 8 social workers, 2 marriage/family/child counselors, 4 professional/mental health counselors
Contracted professionals....2,000

Facilities

Total....135

EAP clients

Total....105
Lives covered at year-end 1994....145,000
Employees....62,000
Dependents....83,000

Mental health network clients

Total....30
Lives covered at year-end 1994....88,000
Employees....37,000
Dependents....51,000

1994 revenues

EAP services....50%
Managed mental health care services....50%

Services began: 1985.
For profit.
Assessments & treatments: Standard services, including elder care referral, Department of Transportation training, substance abuse professional evaluation training.
Health promotion: Standard services, including physical fitness/exercise.
Educational/general services: Standard services, including psychiatric disability review.
Utilization review: Standard services, including mental illness management.
Counseling sites: Worksites, EAP/mental health care facilities, physicians' offices, phone counseling.
Service area: Nationwide.
Reporting: Quarterly, annually, by request.
Billing: Flat fee; capitated fee; fee for service.
Officers: Joseph Madonia, president; Stephen Luppino, vp; Robert L. Belichick, vp; Marvin Stone, medical director; Paula Marafino, clinical director.
Contact: Robert L. Belichick.

Planned Behavioral Health Care Inc.

9535 Forest Lane, Suite 110, Dallas, Texas 75243; 800-866-7242; fax: 214-680-3111

Staff

Salaried employees....75
Includes: 2 psychiatrists, 1 psychologist, 4 social workers, 2 marriage/family/child counselors, 35 professional/mental health counselors, 1 physician
Contracted professionals....2,122
Includes: 438 psychiatrists, 684 psychologists, 500 social workers, 500 marriage/family/child counselors

Facilities

Total....500

EAP clients

Total....42
Lives covered at year-end 1994....120,000
Employees....50,000
Dependents....70,000

Mental health network clients

Total....350
Lives covered at year-end 1994....288,000
Employees....120,000
Dependents....168,000

1994 revenues

EAP services....30%
Managed mental health care services....60%

Services began: 1984.
For profit.
Assessments & treatments: Standard services.
Health promotion: Smoking cessation, stress management, alcohol awareness, drug/chemical awareness, elder care.
Educational/general services: Employee education, supervisor training.
Utilization review: Standard services.
Counseling sites: EAP/mental health care facilities, physicians' offices, phone counseling.
Service area: Nationwide.
Reporting: Quarterly.
Billing: Flat fee; capitated fee; fee for service.
Officers: Joyce Ramey, president/CEO; Steve Embree, CFO; Donna McFaul, executive vp/director-corporate relations; Jim Sanders, executive vp/director-clinical services; Roland Anderson, medical director.
Contact: Donna McFaul.

Preferred Mental Health Management Inc.

2601 E. Central, Wichita, Kan. 67214; 316-681-0136; fax: 316-681-2584

Staff

Salaried employees....25
Includes: 5 psychologists
Contracted professionals....15,000
Includes: 750 psychiatrists, 11,250 psychologists, 2,250 social workers

Facilities

Total....1,250

EAP clients

Lives covered at year-end 1994....350,000
Employees....100,000
Dependents....250,000

Mental health network clients

Lives covered at year-end 1994....400,000
Employees....160,000
Dependents....240,000

1994 revenues

Total....$2,000,000
EAP services....40%
Managed mental health care services....60%

Services began: 1987.
For profit.
Assessments & treatments: Standard services.
Educational/general services: Psychiatric disability review, psychiatric workers comp review.
Utilization review: Standard services.
Counseling sites: Physicians' offices, phone counseling.
Service area: Nationwide.
Reporting: Quarterly.
Billing: Capitated fee, $1 to $2.50 per employee per month.
Officers: Les Ruthuen, president; Courtney Ruthuen, vp; Wayne Isaac, senior vp; Laura Moore, Beth Snyder, vp-operations.
Contact: Beth Snyder.

Process Dynamics

5786 Lincoln Drive, Edina, Minn. 55436; 612-936-7730 or 800-777-7233; fax: 612-936-9156

Staff

Salaried employees....2
Includes: 2 social workers
Contracted professionals....20
Includes: 6 psychologists, 8 social workers, 4 marriage/family/child counselors, 2 professional/mental health counselors

EAP clients

Employees....25,000

Mental health network clients

Employees....4,128

Services began: 1976.
For profit.
Assessments & treatments: Standard services, excluding adolescent treatment.
Health promotion: Standard services, excluding nutrition/weight control.
Educational/general services: Standard services.
Utilization review: Inpatient precertification, case management for chemical dependency.
Counseling sites: Worksites, EAP/mental health care facilities, physicians' offices, phone counseling.
Service area: Nationwide.
Reporting: Quarterly, by request.
Billing: Fee for service.
Officers: Pauline Donovan, president.

Services available are listed under three categories: assessment and treatment, health promotion and educational/general services. Unless noted, **standard assessments and treatments** include stress, occupational problems, family/marital problems, suicide, alcohol abuse, legal problems, drug/chemical abuse, financial concerns and adolescent treatment. **Standard health promotion services** include smoking cessation, nutrition/weight control, stress management, alcohol awareness, drug/chemical awareness, AIDS awareness and elder care. **Standard educational/general services** include employee education, supervisor training, drug-free workplace regulatory adherence and workplace problem identification.

Standard utilization review services include inpatient and outpatient precertification, concurrent review and case management.

Managed mental health care networks provide integrated mental health care services, including assessments and treatments. Services may be provided through both network and contracted facilities/providers.

Professional Psychology Services

1 Rittenhouse Square, Suite 701, Philadelphia, Pa. 19103; 215-567-1306; fax: 215-567-1113

Staff

Salaried employees....2
Includes: 1 professional/mental health counselor
Contracted professionals....8
Includes: 2 psychiatrists, 3 psychologists, 1 social worker, 1 marriage/family/child counselor, 1 professional/mental health counselor

EAP clients

Total....4
Lives covered at year-end 1994....2,200
Employees....1,200
Dependents....1,000

Mental health network clients

Total....6

1994 revenues

Total....$150,000
EAP services....33%
Managed mental health care services....33%

Services began: 1980.
For profit.
Assessments & treatments: Standard services, excluding legal problems, financial concerns.
Health promotion: Standard services, excluding nutrition/weight control.
Educational/general services: Employee education, supervisor training, workplace problem identification, psychiatric disability review, psychiatric workers comp review.
Utilization review: Outpatient precertification, case management.
Counseling sites: Worksites, EAP/mental health care facilities, phone counseling.
Service area: Southern New Jersey; Pennsylvania: Bucks and Montgomery counties.
Reporting: By request.
Billing: Capitated fee; fee for service.
Officers: Dr. Marion Rudin Frank, James Conaway.
Contact: Dr. Marion Frank.

Psychological Health Associates P.A.

5300 Dorsey Hall Drive, Suite 100, Ellicott City, Md. 21042; 410-730-8000; fax: 410-730-8770

Staff

Salaried employees....5
Includes: 4 psychologists, 1 social worker
Contracted professionals....8
Includes: 1 psychiatrist, 1 psychologist, 4 social workers, 1 marriage/family/child counselor, 1 professional/mental health counselor

Facilities

Total....4

1994 revenues

EAP services....10%
Managed mental health care services....80%

Services began: 1985.
For profit.
Assessments & treatments: Standard services, excluding legal problems and financial concerns.
Health promotion: Standard services, including physical fitness/exercise.
Educational/general services: Standard services, including psychiatric disability review, learning disability assessment.
Utilization review: Standard services, excluding inpatient precertification.
Counseling sites: EAP/mental health care facilities, onsite for specific issues/training.
Service area: Maryland: Arundel, Baltimore, Carroll and Howard counties and the city of Baltimore.
Reporting: By request.
Officers: Samuel Berkowicz, Stephen Gaeng, David Raznick, Marcia Coomber.
Contact: Katherine Maithis, executive officer.

Psychology Systems Inc.

432 Solano Drive, Benicia, Calif. 94510; 408-263-8046; fax: 408-942-0264

Staff

Salaried employees....15
Includes: 1 psychiatrist, 3 psychologists, 4 social workers, 7 marriage/family/child counselors
Contracted professionals....5,174
Includes: 450 psychiatrists, 1,500 psychologists, 1,500 social workers, 2,000 marriage/family/child counselors

Facilities

Total....650

EAP clients

Total....300
Lives covered at year-end 1994....160,000

Mental health network clients

Total....175
Lives covered at year-end 1994....185,000

1994 revenues

Total....$8,300,000
EAP services....20%
Managed mental health care services....80%

Services began: 1979.
For profit.
Assessments & treatments: Standard services, including psychiatric/emotional issues.
Health promotion: Standard services, including physical fitness/exercise, health/wellness.
Educational/general services: Standard services, including psychiatric workers comp review, Department of Transportation drug-free issues/review.
Utilization review: Standard services, including claims, adjudication, reports.
Counseling sites: Worksites, EAP/mental health care facilities, physicians' offices, counselors' and psychologists' offices.
Specialties: Public and private school systems, colleges and universities.
Service area: Nationwide.
Reporting: Quarterly, annually.
Billing: Capitated fee.
Officers: John C. Brady II, president; Richard Falls, senior vp; James B. Wallace, se-

Continued on next page

To Avoid
Panic Attack
Press "0"



If you're gearing up for enrollment time... you've looked for this numerous times. Well **Digital Horizons, Inc.** can help you pull the plug on your frustration. **Digital Horizons, Inc,** is the industry leader in Interactive Voice Response (IVR) Benefit Enrollment. Our product, **AutoEnroll,** handles more then just the enrollment. You also get:

- benefits knowledge
- worksheets, confirmations, and benefits statements
- live operators, if needed
- employee communications
- management reports
- data distribution

Digital Horizons, Inc., we know IVR-but more important-we know the benefits business.

Stop the panic attack-call Digital Horizons, Inc. today!

DIGITAL HORIZONS INC.
Four SeaGate, Fifth Floor • Toledo, Ohio 43604
(419) 244-9936 • (800) 733-8228

Continued from previous page
nior vp; Ed Garner, vp; P. James Weymouth, vp; Howard Hilderbrand, CFO.
Contact: P. James Weymouth, vp.

R

REACH Inc.
98 Floral Ave., P.O. Box 807, Murray Hill, N.J. 07974-0807; 908-665-8050; fax: 908-665-8282

Staff
Salaried employees....12
Includes: 8 social workers
Contracted professionals....75
Includes: 5 psychologists, 70 social workers

EAP clients
Total....60
Lives covered at year-end 1994....192,000
Employees....55,000
Dependents....137,000

Mental health network clients
Total....4
Lives covered at year-end 1994....NA
Employees....20,000

1994 revenues
Total....$950,000
EAP services....85%
Managed mental health care services....5%

Services began: 1985.
For profit.
Assessments & treatments: Standard services, excluding legal problems, financial concerns.
Health promotion: Standard services, including physical fitness/exercise.
Educational/general services: Standard services.
Utilization review: Standard services, including behavioral health care benefits consultation.
Counseling sites: Worksites, EAP/mental health care facilities, phone counseling.
Service area: Nationwide.
Reporting: Quarterly, by request.
Billing: Capitated fee; fee for service.
Officers: Scott Pontier, president; William Howe, senior vp/chief financial and administrative officer; Anthony Kearney, director-clinical operations; Anthony Riccio, manager-corporate services; Christopher Miller, manager-program development.

S

Paul Sherman & Associates
411 Theodore Fremd Ave., Rye, N.Y. 10580, 914-967-5395; fax: 914-967-5132

Staff
Salaried employees....6
Includes: 1 psychologist, 3 social workers
Contracted professionals....250
Includes: 50 psychiatrists, 100 psychologists, 100 social workers

Facilities
Total....150

Mental health network/EAP clients*
Total....5
Lives covered at year-end 1994....10,000
** Mental health network and EAP client figures are all inclusive. EAP services are available to all members under the full managed care plan.*

Services began: 1979.
For profit.
Assessments & treatments: Standard services.
Health promotion: Alcohol awareness, drug/chemical awareness.
Educational/general services: Standard services.
Utilization review: Case management.
Counseling sites: Worksites, EAP/mental health care facilities, physicians' offices, phone counseling.
Service area: Nationwide.
Reporting: By request.
Billing: Flat fee; capitated fee; fee for service; hourly for consulting.
Officers: Paul Sherman, president; Stephen Kohn, vp.

Southeastern Wisconsin Medical & Social Services
10335 W. Oklahoma Ave., Milwaukee, Wis. 53227; 414-327-1800; fax: 414-327-1154

Staff
Salaried employees....50
Includes: 4 psychiatrists, 10 psychologists, 25 social workers, 31 marriage/family/child counselors, 35 professional/mental health counselors
Contracted professionals....8
Includes: 7 psychiatrists, 1 psychologist

Facilities
Total....11

Mental health network clients
Lives covered at year-end 1994....100,000

Services began: 1973.
Parent: Covenant Healthcare.
Not for profit.
Assessments & treatments: Standard services, excluding legal problems, financial concerns.
Health promotion: Standard services, excluding AIDS awareness, elder care.
Educational/general services: Psychiatric disability review, psychiatric workers comp review.
Utilization review: Standard services.
Counseling sites: Mental health care facilities.
Service area: Wisconsin: Kenosha, Milwaukee, Ozaukee, Racine and Waukesha counties.
Reporting: Monthly, quarterly, annually, by request.
Billing: Capitated fee; fee for service.
Officers: Lawrence L. Neuser, president; Thomas Runte, executive director; Merle Wasserman, clinical director; John Sala, CFO.
Contact: Lawrence L. Neuser.
EAP services are not available.

StayWell Health Management Systems Inc.
1340 Mendota Heights Road, St. Paul, Minn. 55120; 612-454-3577; fax: 612-454-4062

Staff
Salaried employees....104
Includes: 1 psychologist, 23 social workers, 64 professional/mental health counselors
Contracted professionals....500

Facilities
Total....6,000

EAP clients
Total....100
Lives covered at year-end 1994....350,000
Employees....100,000
Dependents....250,000

Mental health network clients
Total....10
Lives covered at year-end 1994....25,000

Services began: 1978.
For profit.
Assessments & treatments: Standard services.
Health promotion: Standard services, excluding AIDS awareness. Also provides physical fitness/exercise, back care.
Educational/general services: Standard services.
Utilization review: Standard services, including bill review, fee negotiation.
Counseling sites: Worksites, EAP/mental health care facilities, phone counseling.
Specialties: Multistate companies.
Service area: United States, Canada.
Reporting: Quarterly.
Billing: Flat fee; capitated fee; fee for service.
Contact: John Tarbuck, vp-marketing.

T

Telos Occupational Services
1865 N. Ridge Road, Suite C, Lorain, Ohio 44055; 216-277-1112; fax: 216-277-1107

Staff
Salaried employees....6
Includes: 3 social workers, 1 professional/mental health counselor

EAP clients
Total....3
Lives covered at year-end 1994....9,200

Mental health network clients
Total....2
Lives covered at year-end 1994....16,000
Employees....6,500
Dependents....9,500

Services began: 1989.
For profit.
Assessments & treatments: Standard services, excluding legal problems, financial concerns.
Health promotion: Smoking cessation, stress management, alcohol awareness, drug/chemical awareness
Educational/general services: Supervisor training, workplace problem identification.
Utilization review: Standard services.
Counseling sites: EAP/mental health care facilities, phone counseling.
Service area: Northern Ohio.
Reporting: Monthly, quarterly, annually, by request.
Billing: Capitated fee.
Officers: Donald G. Cook, president; William Vanek, operations officer.
Contact: Donald G. Cook.

U

USA Health Network Co. Inc.
7301 N. 16th St., Suite 201, Phoenix, Ariz. 85020; 602-371-3860; fax: 602-861-2805

Staff
Salaried employees....16
Contracted professionals....11,235
Includes: psychiatrists, psychologists, social workers, marriage/family/child counselors, professional/mental health counselors

Facilities
Total....700

Mental health network clients
Total....487
Lives covered at year-end 1994....135,000

Services began: 1990.
Parent: USA Health Holding Inc.
For profit.
Assessments & treatments: Standard services.
Health promotion: Standard services, including physical fitness/exercise, other services by request.
Educational/general services: Standard services, including psychiatric disability review, psychiatric workers comp review, other services by request.
Utilization review: Standard services.
Counseling sites: Worksites, mental health care facilities, physicians' offices.
Service area: Alabama, Arizona, Arkansas, California, Colorado, Florida, Georgia, Illinois, Indiana, Iowa, Kentucky, Louisiana, Maryland, Mississippi, Missouri, Nevada, New Jersey, New Mexico, New York, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, Tennessee, Texas, Utah, Virginia, Washington.
Reporting: By request.
Officers: George Bogle, chairman/CEO; Darrell Barker, CFO; Arden Taber, vp-marketing; Laura Dickson, senior executive vp; Connie Collins, vp-health services.
Contact: Karen Blaum, vp-executive administration.
EAP services are not available.

United Behavioral Systems
9705 Data Park Drive, Minnetonka, Minn. 55343; 800-433-0519; fax: 612-945-6699

Staff
Salaried employees....983
Contracted professionals....10,988
Includes: 2,103 psychiatrists, 2,805 psychologists, 6,080 social workers

Facilities
Total....380

Mental health network clients
Total....3,600
Lives covered at year-end 1994....3,228,514

Services began: 1985.
Parent: United HealthCare Corp.
For profit.
Assessments & treatments: Standard services.
Health promotion: Standard services, including physical fitness/exercise.*
Educational/general services: Standard services, including psychiatric disability review, psychiatric workers comp review.
Utilization review: Standard services, including intensive case management for high-risk situations, follow-up case management.
Counseling sites: Worksites, EAP/mental health care facilities, physicians' offices, phone counseling, community resource centers, schools, providers' offices.
Service area: Florida, Georgia, Iowa, Kentucky, Minnesota, Missouri, Nebraska, North Carolina, Ohio, Oregon, Rhode Island, South Carolina, Tennessee, Utah, Virginia, Wisconsin.
Reporting: Monthly, quarterly, annually, by request.
Billing: Capitated fee, $5.25 to $9.45 per employee per month; fee for service.
Officers: John Tadich, president; Deborah Trout, vp-operations; Tom Malueg, medical director; Kathleen Penkert, vp-sales/marketing; Pedro Villalba, vp-information systems/technology.

Continued on next page

READER REPLY SERVICE

PRODUCTS & SERVICES LISTING

Issue of June 26

Reader Service #	Advertiser	Page #
—	Aetna Life & Casualty/Bond	15
—	American Financial Group, Inc.	18
1	Ameritas Life Insurance Co.	19
—	Business Insurance	36
—	Carvill America, Inc.	25
2	Claims Overload Systems	26
3	CNA/Disability Management	4
—	Digital Horizons	27
—	Edwards & Angell	33
—	Employee Resource Systems	32
4	Fortis Inc.	10-11
5	Int'l Found. of Empl. Benefits	12
6	Liberty Mutual	16
7	Met Disability	9
8	MultiPlan Inc.	22
9	Occupational Health Services	14
—	Orchid Holdings, L.P.	15
—	Prudential Re/California	12A/12B
10	Reliance National	40
11	Reliastar	6-7
12	Thomas Howell/Gay & Taylor	17
—	Travis Software	30
—	Wausau Insurance Company	5
13	Zurich-American Corporate	20-21

READER SERVICE

To obtain free information on the products and services advertised, turn to our post-paid Reader Service Reply Card bound in this issue, or complete the coupon below and mail to:

BUSINESS INSURANCE
Reader Service Center
650 So. Clark St., 6th Fl.
Chicago, IL 60605-1702

Business Insurance®
FREE LITERATURE FOR READERS
Issue Date: JUNE 26, 1995
Card Expiration: AUGUST 21, 1995

All questions must be answered to process inquiries.
PLEASE CHECK ONE ITEM FOR EACH CATEGORY:

1. My organization is best described as:
A ❑ Mfg/Svcs B ❑ Association C ❑ Union D ❑ Government E ❑ Educational Inst F ❑ Ins Agent G ❑ Ins Broker H ❑ Ins/Reins Co I ❑ Actry/Conslt J ❑ Attorney K ❑ Adj/Apprs L ❑ TPA M ❑ Health care Inst N ❑ Other ____

2. Number of employees:
1 ❑ 150 or less 2 ❑ 151 - 499 3 ❑ 500 - 999 4 ❑ 1,000 - 4,999 5 ❑ 5,000 or more 6 ❑ Unknown

3. My title is best defined as:
A ❑ Administrative Mgt B ❑ Financial Mgt C ❑ Risk Mgt D ❑ Benefits Mgt E ❑ Loss Prevention Mgt F ❑ Other____

4. My purchasing involvement for the requested products is to :
1 ❑ recommend only 2 ❑ specify 3 ❑ approve

5. Do you now receive a personally addressed copy of *Business Insurance*?
A ❑ Yes B ❑ No, so please send subscription info

Circle the numbers below that correspond to the companies listed on our Advertiser Index for the **June 26, 1995** issue. Cards with more than 20 items circled will not be processed. This card expires **August 21, 1995.**

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
31	32	33	34	35	36	37	38	39	40	41	42	43	44	45
46	47	48	49	50	51	52	53	54	55	56	57	58	59	60
61	62	63	64	65	66	67	68	69	70	71	72	73	74	75
76	77	78	79	80	81	82	83	84	85	86	87	88	89	90
91	92	93	94	95	96	97	98	99	100	101	102	103	104	105
106	107	108	109	110	111	112	113	114	115	116	117	118	119	120
121	122	123	124	125	126	127	128	129	130	131	132	133	134	135
136	137	138	139	140	141	142	143	144	145	146	147	148	149	150

Please print clearly

Name _____
Title _____
Company _____
Address _____
City _____ State _____ Zip _____
Phone ( ) _____

Florida

Continued from page 1

could beef up the CHPA program's marketing leverage. But state Republicans won't approve the deal yet, saying they fear a financial backlash for Florida.

While similar to President Clinton's managed competition model and a 2-year-old program for small businesses in California, Florida's CHPA program features some striking differences.

Eleven CHPAs—one for each region in the state—provide small-business members with 50 or fewer full-time workers a spreadsheet of rates from any number of approved accountable health plans, which are made up of insurers and providers. About 50 AHPs are approved statewide, though not all offer coverage in each district.

Beginning last July, small-business CHPA members got their first opportunity to shop for standardized plans, which are the only plans the AHPs can offer CHPA members. Only cost and the makeup of provider networks differentiate the plans.

An AHP can offer a health maintenance organization, a preferred provider organization, a traditional indemnity plan or any combination of the three. The state and private industry together developed three benefit levels for each type of plan.

"Before, you would never have two products absolutely identical. That would keep the small business shopper guessing as to the real value of what they were getting," said Bill Herrle, state director of the National Federation of Independent Business in Tallahassee, Fla.

See **Florida** *on next page*

California health purchasing cooperatives spark savings for employers throughout state

LOS ANGELES—Competition is fierce and rates are falling since the 1993 implementation of a California law reforming the underwriting and delivery of small group health insurance.

July 1 marks the second anniversary of A.B. 1672, which imposed underwriting reforms like guaranteed issuance and renewal, as well as established purchasing alliances for employer groups with as few as five employees (*BI*, April 18, 1994; Aug. 2, 1993). Since the law's enactment, the minimum group size has declined each year and will stop in 1996, when the minimum will be two employees.

The reforms also enhanced portability of benefits for all employees enrolled in insured plans by limiting the duration for pre-existing condition exclusions to a single six-month period. As a result, if a worker with a pre-existing medical condition, such as diabetes, changes jobs after six months or more, he or she would not be subject to another waiting period under a new employer's plan.

Since the purchasing alliance and reforms were implemented in 1993, small employers' premiums for health care coverage have dropped significantly.

Insurers that participate in the HIPC are precluded by law from marketing the same benefits at a lower cost to small groups outside the purchasing cooperative. Nevertheless, small California employers today have a plethora of lower cost health plans from which to choose—both in and outside of the HIPC.

Middletown, Conn.-based Aetna Health Plans Inc., which operates managed care plans in multiple states, is among the insurers that have found California's small group insurance market more hospitable since the underwriting reforms more effectively spread risk among insurers operating in the state.

Before A.B. 1672's enactment, Aetna did not actively market its health insurance or managed care products to small employers in California, a company spokeswoman said.

But, Aetna now provides health care coverage to 20% of HIPC participants, or about 17,300 lives.

California's HIPC closely resembles the health care purchasing cooperatives proposed by President Bill Clinton in his failed national health care reform proposal. However, unlike the Clinton proposal, participation in the HIPC is strictly voluntary.

As the reform measure enters its second year of operation, more than 87,000 employees of small businesses receive health insurance through the HIPC. This is up 74% since last year, when just 50,000 people were enrolled.

And, as enrollment numbers grow, premiums for HIPC coverage are falling, according to a HIPC spokesman.

Premiums will fall an average of 5% statewide for July 1 renewals. This follows last year's rate cut of nearly 6%, he said.

In addition to the rate reduction, four new health insurers are joining the HIPC as of July 1, bringing the total number of plans available to 25: Blue Shield of California, Care America, the Chinese Community Health Plans of San Francisco and Los Angeles, and Universal Health Care.

Previously, the HIPC provided access to 23 health plans. John Alden Life Insurance Co. and Aetna's PPO have decided to withdraw from the HIPC as of July 1.

Such changes in participating plans was anticipated by HIPC management.

"The HIPC is designed as a managed care competitive model, which means that the number of plans participating is subject to market changes and the carriers' internal responses to these changes," explained John Ramey, executive director of the Managed Risk Medical Insurance Board, the state agency that oversees the HIPC.

In another new development, the HIPC received a grant from the Robert Wood Johnson Foundation to develop a risk assessment model, which HIPC backers say could add significantly to nationwide, market-based health reform efforts. The HIPC will develop and test a risk assessment methodology that will ensure participating plans can compete fairly.

With developments like that, it's no wonder the HIPC's popularity is growing.

A poll conducted by the Gallup Organization in 1994 found that 86% of member employers approve of the HIPC and would recommend it to others.

Retail store employees represented the greatest percentage of employees enrolled in the pool—15%—followed by: physicians, dentists and clinics, which represent 9% of the pool participants; restaurants and hotels, 9%; and construction, 8%. The remaining employee groups represent small companies ranging from auto dealers to social services.

Those businesses traditionally have found group insurance difficult to purchase.

Even health insurance agents, many of whom feared they would lose business if employers opted to purchase directly through the HIPC, are warming to the concept of group purchasing.

"What we are finding is that close to 70% of the businesses we have sold are using an agent or broker," the HIPC spokesman said.

That's because many small firms still value an agent or broker's advice—even at a 6% commission—because their firms are too small to support full-time benefit managers, he believes.

"We haven't lost any of our smaller cases," acknowledged Dave Reed, senior vp of Willis Corroon of Los Angeles Inc. in Glendale, Calif. "The people I've talked to, other brokers, have not lost any business to the HIPC."

—By Joanne Wojcik and Roberto Ceniceros

Continued from previous page

Contact: Kathleen Penkert, 612-945-6292.

EAP services are offered to UBS clients in partnership with the Institute for Human Resources Inc. (IHR), a sister company.

** Health promotion services are available through sister company IHR.*

V

VMC Behavioral Healthcare

100 S. Greenleaf Ave., Gurnee, Ill. 60031; 708-249-1900; fax: 708-249-2772

Staff

Salaried employees 140
Includes: 2 psychiatrists, 15 psychologists, 106 social workers, 11 marriage/family/child counselors, 5 professional/mental health counselors, 1 physician
Contracted professionals 12,899
Includes: 3,543 psychiatrists, 4,554 psychologists, 3,896 social workers, 726 marriage/family/child counselors, 148 professional/mental health counselors, 32 physicians

EAP clients

Total 160
Lives covered at year-end 1994 1,600,000
Employees 500,000
Dependents 1,100,000

Mental health network clients

Total 10
Lives covered at year-end 1994 55,000
Employees 18,000
Dependents 37,000

Services began: 1976.
Parent: The Vasquez Group.
For profit.
Assessments & treatments: Standard services.
Health promotion: Standard services, including physical fitness/exercise.
Educational/general services: Standard services.
Utilization review: Standard services.
Counseling sites: Worksites, EAP/mental health care facilities, phone counseling.
Service area: International.
Reporting: Quarterly.
Billing: Capitated fee.
Officers: Mary Vasquez, president; C. Luis Vasquez, CFO; Peter Jacobs, vp-marketing/sales; Pat McCluskey, vp-operations; Richard McCrary, vp-human resources.
Contact: Peter Jacobs.

Value Behavioral Health

3110 Fairview Park Drive S., Falls Church, Va. 22042; 703-205-7000; fax: 703-876-5644

Staff

Salaried employees 2,137
Contracted professionals 30,090
Includes: 6,542 psychiatrists, 13,587 psychologists, 11,549 social workers, 927 marriage/family/child counselors, 928 professional/mental health counselors, 6,542 physicians

Facilities

Total 2,670

EAP clients

Lives covered at year-end 1994 2,682,308
Employees 1,072,923
Dependents 1,609,385

Mental health network clients

Lives covered at year-end 1994 8,429,615
Employees 3,371,846
Dependents 5,057,769

1994 revenues

Total $198,599,000
EAP services 8%
Managed mental health care services 92%

Services began: 1983.
Parent: Value Health Inc.
For profit.
Assessments & treatments: Standard services.
Health promotion: Stress management, alcohol awareness, drug/chemical awareness, elder care.
Educational/general services: Standard services, including psychiatric disability review, psychiatric workers comp review.
Utilization review: Standard services.
Counseling sites: Worksites, EAP/mental health care facilities, physicians' offices, phone counseling.
Service area: United States, Puerto Rico.
Reporting: Quarterly, annually, by request.
Billing: Flat fee; capitated fee; fee for service; minimum premium.
Officers: Chip Tooke, president/CEO; John Hill, COO-corporate operations; George Lopiano, chief of staff; Edie Jardine, executive vp-national sales; Ian Shaffer, chief medical officer.
Contact: Linda Hester, director-marketing.

Vista Health Plans/California Psychological Health Plan

2355 Northside Drive, San Diego, Calif. 92108; 619-521-4400; fax: 619-497-5244

Staff

Contracted professionals 2,500
Includes: 495 psychiatrists, 1,200 psychologists, 300 social workers, 420 marriage/family/child counselors

Facilities

Total 100

EAP clients

Total 27
Lives covered at year-end 1994 38,000

Mental health network clients

Total 45
Lives covered at year-end 1994 350,000

1994 revenues

Total $8,000,000
EAP services 5%
Managed mental health care services 95%

Services began: 1987.
Parent: Vista Hill Foundation.
Not for profit.
Assessments & treatments: Standard services.
Health promotion: Standard services, including physical fitness/exercise.
Educational/general services: Standard services, including psychiatric disability review, psychiatric workers comp review.
Utilization review: Standard services.
Counseling sites: EAP/mental health care facilities.
Specialties: Municipalities, school districts, union trusts.
Service area: California.
Reporting: Quarterly.
Billing: Capitated fee.
Officers: Keith Dixon, CEO; Peter Panzarino, medical director; Karen Nager, COO; Greg Zinser, CFO.
Contact: Keith Dixon.

Number of participating facilities includes hospitals, treatment centers and halfway houses. Clients includes the total number of employer clients served and lives covered at year-end 1994. Other directory terms are explained on page 13.

W

Gary L. Wood & Associates P.A.

4700 N. Habana, Suite 300, Tampa, Fla. 33614; 813-870-0392; fax: 813-871-6305

Staff

Salaried employees 7
Includes: 2 psychologists, 1 professional/mental health counselor
Contracted professionals 798
Includes: 190 psychiatrists, 258 psychologists, 165 social workers, 60 marriage/family/child counselors, 125 professional/mental health counselors

Facilities

Total 34

EAP clients

Total 40
Lives covered at year-end 1994 100,000
Employees 40,000
Dependents 60,000

Mental health network clients

Total 4
Lives covered at year-end 1994 35,000
Employees 10,000
Dependents 25,000

1994 revenues

Total $670,000
EAP services 60%
Managed mental health care services 40%

Services began: 1982.
For profit.
Assessments & treatments: Standard services.
Health promotion: Standard services.
Educational/general services: Standard services, including psychiatric disability review, workplace violence consultation/intervention.
Utilization review: Standard services.
Counseling sites: Worksites, EAP/mental health care facilities, physicians' offices, phone counseling.
Service area: Alabama, Arkansas, California, Colorado, Connecticut, District of Columbia, Florida, Georgia, Illinois, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Mississippi, Missouri, North Carolina, New Jersey, New York, Ohio, Pennsylvania, South Carolina, Tennessee, Texas, Utah, Virginia.
Reporting: Monthly, quarterly, annually.
Billing: Flat fee; capitated fee; fee for service.
Officers: Gary L. Wood, president.

Y

Yost Inc.

205 S. Salina St., Suite 204, Syracuse, N.Y. 13202; 315-425-6481; fax: 315-425-1808

Staff

Salaried employees 9
Includes: 0.5 psychiatrist, 2 psychologists, 4 social workers, 1 marriage/family/child counselor, 1 professional/mental health counselor, 0.5 physician
Contracted professionals 240
Includes: 4 psychiatrists, 23 psychologists, 123 social workers, 15 marriage/family/child counselors, 75 professional/mental health counselors

Facilities

Total 177

EAP clients

Total 1,500
Lives covered at year-end 1994 250,000
Employees 80,000
Dependents 170,000

Mental health network clients

Total 12
Lives covered at year-end 1994 17,000
Employees 5,000
Dependents 12,000

1994 revenues

Total $786,926
EAP services 77%
Managed mental health care services 10%

Services began: 1983.
For profit.
Assessments & treatments: Standard services.
Health promotion: Standard services, including physical fitness/exercise.
Educational/general services: Standard services.
Utilization review: Standard services.
Counseling sites: Worksites, EAP/mental health care facilities, phone counseling.
Service area: Nationwide.
Reporting: Quarterly, by request.
Billing: Capitated fee.
Officers: William H. Yost, president; Robert J. Brown, vp.

Florida

Continued from previous page

Unlike Clinton's proposed model, Florida's CHPA program is voluntary. And unlike the Clinton and California models, Florida's CHPAs do not purchase coverage. Small firms, through their agents, must make that transaction.

Instead, the CHPAs are only rate information resources. The AHCA is also developing AHP report cards.

Unlike in the non-CHPA market, a CHPA member company can sponsor as many plans as it has employees. Businesses must pay at least 50% of the cost of the lowest-priced plan they offer.

AHPs also are bound by some significant small-group insurance reforms that guarantee issue to small groups, eliminate medical underwriting, impose community rating and severely limit exclusions for pre-existing conditions.

"It's managed competition with a small 'm' and a big 'C,' " observed John Erb, outgoing executive vp of CHPA District 10, which covers Broward County in Southern Florida.

In early June, 9,450, or 2.8%, of the state's 332,100 small businesses, had obtained coverage for 41,638 employees and dependents, according to AHCA data.

On average, those firms have 2.32 employees. Health plans and CHPA officials had hoped the CHPAs would attract more of the larger firms eligible for coverage.

But, a pleasant surprise for CHPA officials is that 54% of CHPA members previously had not sponsored health coverage for their workers.

"That makes me sleep pretty well at night," Mr. Erb said.

Still, that means CHPA plans have reduced the ranks of the state's 2.16 million workers without health insurance by a small fraction. Overall, about 2.7 million Floridians are uninsured, according to the AHCA."It obviously isn't dominating the market as we thought it might," observed James Oatman, a senior vp with Time Insurance Co. and subsidiary Fortis Benefits Insurance Co. of Milwaukee. The companies' combined share of 13% of the CHPA market statewide ranks second to the whopping 41% captured by Louisville, Ky.-based Humana Inc.

CHPA officials, though, are satisfied with the first year's results.

Terry McCorvie, executive director of District 7, which includes Orlando, said any new health insurer would be happy with his CHPA's 4.3% market penetration in its first year.

Enrollment in District 6, which includes Tampa, exceeds expectations with a 4% share of the small business market and is growing fast, said Cynthia Sampson, executive director of the district.

Statewide, 1,478 small firms became CHPA members in May, the largest monthly enrollment so far, according to Health Plan Services Inc., the third-party administrator for all 11 districts. The Tampa-based TPA is responsible for enrollment and premium collection and disbursement, as well as some marketing.

Compared with the Health Insurance Plan of California, another small-group managed competition vehicle, Florida's CHPA program tracks favorably, said AHCA's Mr. Cook (see story, page 29). Small groups sponsored coverage for 44,000 employees and dependents through California's HIPCs during its first year of operation in 1994 (*BI*, April 18, 1994).

And, Mr. Cook noted, Florida's population is less than half of California's.

Reducing the state's uninsured population was not even the CHPA program's primary goal, he said. The program was designed to stabilize the small group health insurance market. But, even without a mandate to purchase insurance and a state subsidy for low-wage earners, the CHPA program has attracted far more previously uninsured businesses than expected, he said.

Mr. Cook, CHPA directors and agents believe more small firms will clamor for CHPA coverage once the word on cost savings spreads. That information is purely anecdotal while the state completes a study to quantify savings.

For example, Harvill's Produce Co. of Orlando, a 47-year-old firm that never sponsored health coverage before, began offering about nine plans, mostly HMOs, to 38 qualified corkers in January.

Initially skeptical Comptroller Traci Harvill O'Brian, who recently became a licensed agent, now plans to sell CHPA coverage.

Plant nursery B.L. Kobia Inc. of Winter Garden, an Orlando suburb, switched to the CHPA program after its HMO and indemnity plan raised rates between 40% and 50%, said Frank Romanach, vp of finance.

The 35-year-old company now offers approximately 45 full-time employees three HMO plans and a PPO plan. Even with 30 additional employees opting for coverage and Kobia boosting its premium contribution to 60% from 55%, the firm's costs are lower, Mr. Romanach said.

The Private Industry Council in Shalmar, which is in District 1, saved $47,000 in 1994 by switching to CHPA coverage. The federally funded employment training program now can afford to pay 100% of employee coverage, which makes dependent coverage affordable for several employees for the first time, said Linda Dumblin, personnel director.

Some small firms with older employees, though, may find coverage is more expensive, said Arthur Dickerson, a principal in the Tampa office of benefit consultant William M. Mercer Inc. AHPs can base rates on age, as well as tobacco use, sex, family composition and residence.

Darrell Schwabe, president of independent agency Schwabe & Associates of Brandon, Fla., which is in District 6, agreed. Mr. Schwabe is a CHPA proponent, though. He has sold CHPA coverage to 150 small groups.

Others say older workers can find affordable coverage. Small firms often can find at least one health plan that offers competitive rates to older employees, said Wes Fischer, president of Tanguay/Fischer & Associates Inc., an agency in St. Cloud, Fla.

Many of Kobia's workers are older than 40 and "still found cheap coverage," Mr. Romanach said.

Mr. Dickerson also said CHPA plans do not provide the richer benefit levels some businesses want. That was the case with The Greater Tampa Chamber of Commerce, which faced an approximate 15% rate hike recently from the HMO plan it offered its three dozen office staffers. The Chamber rejected much cheaper CHPA HMO coverage because it considered the plan benefits inadequate. Instead, the Chamber selected a non-CHPA HMO plan that will cost 5% or so more than its expiring coverage.

The Chamber also has just finalized a deal with HMO HIP Health Plan of Florida Inc. to provide several plan options to Chamber members at locked-in rates for two years. The plans will offer richer benefits than those available in the CHPA and in many cases will be comparably priced, Mr. Dickerson said.

Some critics also note that 700,000 small group employees and dependents—nearly 17 times as many people as are covered by CHPA plans—have obtained coverage from non-CHPA plans since the health insurance reforms began taking effect in January 1993.

But, that comparison is unfair, an agent association executive said. The small group market reforms led to new non-CHPA products that got a six- to 18-month head start on the CHPA program, explained Herb Morgan, executive vp of the Florida Assn. of Life Underwriters in Tallahassee.

Not all firms will find better deals in the CHPA program, Mr. Cook conceded. "That's all right," he said. "We never wanted the CHPAs to be an exclusive provider. We wanted them to be a catalyst in the market" so buyers can find the best deal possible—inside or outside the CHPAs.

Cost savings, plan choice and benefit levels may be the CHPA program's hook, but the fate of the CHPA program depends on the willingness of some reluctant agents to reel in small groups.

"Small businesses don't buy insurance—they're sold it," Mr. Erb said.

But the Legislature inadvertently soured many agents on the CHPA program when it initially toyed with making the program a direct market. Though the idea was scrapped early on, some agents remain mistrustful.

"There was a lot of damage and distrust created by that. People didn't want us to begin with, so can we trust it over the long term?" Mr. Morgan questioned.

Some observers say the problem is compounded by the 5% commission that agents earn on CHPA business, which is half of what they command for non-CHPA business.

Mr. Morgan, though, said agents are motivated more by clients' needs than their commission level.

He instead criticized some CHPA districts for tactics that he says alienate agents. For example, District 7 steers potential CHPA members to favored agents instead of directing the firms to their regular insurance agents.

The district's Mr. McCorvie defended that practice: "Every single company in the world steers business to people who produce for it." And agents can get on the district's referral list by selling one new case monthly, he said.

Despite their early mistrust of the program, agents generally have accepted it, Mr. Morgan said.

James F. Lee, president of independent agency James Lee & Associates Inc. of Pensacola, said he embraced the program early because standardized plans and published rates relieved his headache of trying to help clients determine the value of highly differentiated plans. "We looked at it and said the madness has been taken out of the marketing system."

If agents do not sell CHPA coverage to their clients, some other agent will, Mr. Lee said. "All of a sudden, these people have competition like they never had before."

But, Mr. Erb of District 10 still believes that CHPAs "have to win over agents one by one."

Many AHPs also have to be sold on the program, Mr. Cook and others said.

For example, Mr. Lee recalled: "Some insurance companies that licensed me exerted a great deal of pressure on me to sell outside of the CHPA." He said they stressed the higher commission he would earn selling non-CHPA business.

"We thought we could make that up on volume," he said.

As CHPA executives continue to woo agents, they also have to deal with running their districts with much less help from the state. This year, each district receives $139,000 of state funding, about half of the $275,000 they received in each of the past two years. They lose all state funding next year.

Some district executives already are looking at boosting membership fees, which plan participants pay, by a few dollars each month. Those fees currently range from $3 to $6 per month, with most going to Health Plan Services, the TPA for the CHPAs.

Some CHPA executives and others also agree that some districts should consolidate to bring greater efficiencies to the system.

In the state's panhandle region, District 1 already has approached District 2 about consolidating.

But, District 6's Ms. Sampson believes that consolidating should be deferred three to five years. Consolidations now could hurt the local flavor of the districts. That has been an important element in the CHPA program's growth so far, many agree.

1997 may pose an even more critical financial hurdle for CHPA districts, observed John Bilchak, head of the health care practice in Florida for benefit consultant Towers Perrin in Tampa. That's when Health Plan Services' TPA contract with the CHPAs expires.

Mr. Bilchak questioned whether the TPA will be willing and able to keep its fees at about half the level that TPAs currently command for their services.

Health Plan Services, though, is not contracted to provide as many services as other TPAs typically provide, he noted.

Continuity of the TPA's services will be important, Mr. Bilchak said. "If they pulled the plug on this, they would have massive turmoil."

Health Plan Services, which CHPA executives commend for its service, would not comment.

CHPA district directors also feel less sorry for themselves than for the state's uninsured if the Legislature ultimately does not take advantage of a windfall of federal Medicaid funds. The federal government last September waived some Medicaid rules in Florida so the state could direct about 1.5 million Medicaid recipients into managed care and use the estimated $5.8 billion of savings to subsidize care for the working uninsured through the CHPA program.

Florida's Legislature must approve the waiver before the state can take advantage of it, but the Republican-controlled Senate has balked so far.

A major concern for Senate President Jim Scott, R-Fort Lauderdale, centers on the federal government's thoughts of switching to a block grant funding system for the states.

The government now designates how much in federal funds a state may spend on various programs. Under a block grant system, the state would determine how to spend its federal funds.

But, federal lawmakers have not assured Sen. Scott that the Medicaid rules waiver would not be voided if a block grant system is adopted, the senator's spokeswoman said. The state could be left holding a financial bag it can ill afford if it creates a subsidy supported by funding that is later pulled away, she said.

And, because Florida would have to use block grant funds for many programs, including Medicare, Sen. Scott wants assurances that the grants will not be capped for several years. Capped grants would penalize Florida, because it has growing Medicare and Medicaid populations, the spokeswoman said.

In addition, state Republicans, unlike the Democrats, philosophically oppose creating a new entitlement program, she said.

NFIB members would not mind if the state used its Medicaid savings to support tax relief instead, Mr. Herrle said.

Others, though, think the delay is due to partisan politics.

"I think they decided a year-and-a-half ago not to do this," Mr. Cook said.

How could the state not use funds that would help 1.1 million low-wage Floridians pay for health care? wondered District 7's Mr. McCorvie.

And, referring to CHPA districts, Mr. McCorvie said, "It would help us reach self-sufficiency that much quicker" through the additional membership fees it would generate.

"There's a great deal to be learned from the Florida experiment," both in the program's successes and failures so far, Mr. Cook said.

But, whether the CHPA program eventually stands tall in Florida's health care coverage market or withers on the vine probably won't be clear for years, said Mr. Bilchak of Towers Perrin. BI

Corporate Cobra Manager and Retiree Premium Billing Software

from Travis Software. Purchased by over 3000 Corporate and TPA users.

Also call if you would like information on our Flex Administration systems.

Travis' **CORPORATE COBRA MANAGER** system has been recently updated, and a Windows version will soon be released. Corporate users and TPA's can now fully administer their COBRA, state continuation requirements and FMLA coverage using the system.

Corporate Cobra Manager produces: all COBRA notices, bills premiums, summarizes benefit continuation activity, and produces over 20 reports.

For those needing to administer premium billing and collection for retirees, Travis' **RETIREE PREMIUM BILLING** system bills premiums on different frequencies and helps manage premium payments from retirees.



Travis Software Corp.
P.O. Box 820469, Houston, TX 77282-0469

Starting a chain reaction

U.K. to privatize part of nuclear industry

BY STACY SHAPIRO

LONDON—Safety concerns and huge liability exposures are no longer considered obstacles to the privatization of Britain's nuclear power industry.

In a report issued early last month, the U.K. Department of Trade and Industry and the Scottish Office proposed selling off government-owned Nuclear Electric P.L.C. and Scottish Nuclear Ltd. as a single company with annual revenues of around £2 billion ($3.19 billion).

Older nuclear power stations with significantly larger long-term liability exposures would be taken over by Warrington, Cheshire-based British Nuclear Fuels P.L.C., which would remain a state-owned entity for the time being.

BNFL, as the company is usually called, already owns and operates two Magnox power stations, an older type of nuclear power station.

This is a turnaround for the government, which five years ago, decided against privatizing its nuclear power installations based in part on projections of the costs associated with shutting down older facilities and the catastrophic liability exposure associated with potential contamination. These concerns continued to be cited as an impediment to privatization as recently as last year (*BI*, March 21, 1994).

The nuclear power industry has since become more profitable, which could help offset the liabilities.

And, a £14 billion ($22.4 billion) contract between Nuclear Electric and BNFL transfers some of the long-term liabilities to BNFL. In addition, the recent decommissioning of two nuclear power stations enabled the government to get a better handle on the costs associated with shutting down older facilities.

The leaders of the three nuclear power companies cautiously welcomed the government's change of heart.

"The green light for privatization is goods news for the industry," said John Collier, chairman of Nuclear Electric, at a June 5 Institution of Mechanical Engineers seminar in London.

"Privatization will at last provide the opportunity for nuclear generators to start to compete on equal terms with the other generators in the privatized electricity market," he said.

Some stock analysts, who were once skeptical about the privatization of nuclear power companies, now think it's a viable proposition.

Operating performance has improved dramatically and some of the modern plants will soon be profitable, while the long-term liabilities are being managed more effectively, causing less uncertainty, said John Reynolds, utilities analyst for James Capel & Co. in London.

Five years ago, the government decided not to sell its three nuclear power companies when it privatized the rest of Britain's electricity industry. They weren't considered in shape for private investors. Among other things, the government was concerned that the nuclear power companies did not the costs of closing down and destroying old power stations.

The costs associated with taking all nuclear power stations out of service and clearing them from sites, including potential liabilities, could total £40 billion ($63.78 billion), the government estimated, based on statistics from the National Audit Office's report on nuclear facilities in 1993. For the three companies involved in the proposed privatization, the liabilities totaled £15 billion ($23.92 billion) at the end of 1992, according to the NAO.

The British government last began reviewing whether to build a new nuclear power plant with taxpayer funds. Ultimately, a report released May 5 concluded that such a plant should not be built.

But the government did conclude that two types of state-owned nuclear plants—the advance gas reactor and pressurized water stations—could be privatized through a stock offering by next June. These types of stations will be managed by the merged Nuclear Electric and Scottish Nuclear companies, which will be responsible for the stations' liabilities.

"The government will take steps to ensure that the privatized company meets its financial obligations with respect to long-term nuclear liabilities," the government report noted. "The government believes that segregated funds are the best way of ensuring public confidence that the parts of Nuclear Electric and Scottish Nuclear which are privatized will meet their obligations and that the costs of meeting long-term nuclear liabilities do not fall to taxpayers by default."

Details of such a fund to pay for these long-term liabilities—which could total £6 billion ($9.57 billion)—are being discussed.

See **Nuclear** *on next page*



IMAGE BANK

Pension taxes possible

Funds attractive to cash-hungry governments, consultant says

By MICHAEL SCHACHNER

AMSTERDAM, Netherlands—The debt-ridden federal governments of the United States and Canada, which have expressed a desire to shore up budgetary shortfalls, soon may have to do what Australia did in the late 1980s: tax private pension plans, three international pension and benefit consultants say.

In 1988, having come to the realization that a growing budget deficit was ruining the value of its dollar, the Australian government leveled a tax on private pension contributions in addition to an existing tax on investment income and only offset that tax four years later with a reduction of taxes on final pension benefits.

"It was a shrewd move by the tax man because it took four years for it to become a tax-neutral maneuver. For four years the government enjoyed a nice gain by taxing contributions as well as investment income at 15%," said John White, chairman and managing director of White & Lewis Consulting Pty. Ltd. in North Sydney, Australia.

The tax generated $185 billion in U.S. dollars over four years for the Australian federal treasury and, if duplicated by the United States, Canada and other members of the G-7 nations, could raise $107 billion in just one year, Mr. White said during a session on the contemporary relationships between governments and pension plans at a recent conference in Amsterdam sponsored by ASINTA, or Actuarial Sciences International Associates, a global network of benefit consulting firms.

Just as Australia turned to private pension assets as a means of generating revenues, the U.S. and Canadian governments may do likewise, suggested Bradford Klinck, a senior actuary with Actuarial Sciences Associates Inc. in Somerset, N.J.

"Currently, one-quarter of U.S. wealth is tied up in pensions. There's an enormous amount of money there. The pension plans of AT&T, General Motors and the California Public Employees Retirement System alone have over $30 billion in assets," Mr. Klinck said.

"It's against this backdrop of great pension plan wealth that a government in the red ink looks at pensions as the unbroken cookie jar," he said.

Mr. Klinck said it is rare that governments around the world give employers "carte blanche" to provide pension benefits and other benefits with no taxes or assessments. Argentina, Canada, Germany, France and even the United States tax employers on

See **Pensions** *on next page*

AIRMIC names Bull its new chairman

LONDON—The Assn. of Insurance & Risk Managers in Industry & Commerce's new chairman is David Bull, legal and administration manager of the Cheshire County Council's policy unit.

Mr. Bull said that the theme for his one-year tenure will be "partnerships." He aims to consolidate the work already under way within London-based AIRMIC, including forging closer partnerships with the Institute of Risk Management, the Assn. of British Insurers and other representative bodies of the market, government and the Confederation of British Industry. He said he also aims to increase the number and quality of services to its members.



Mr. Bull

Mr. Bull has been in his present job, in which he is responsibile for Cheshire County Council's insurance and risk management program, for 10 years.

He succeeds Peter Lerwill, general manager of risk management at British Airways P.L.C., as chairman of AIRMIC.

—By Edwin Unsworth

Benefit market lacking in China

By MICHAEL SCHACHNER

AMSTERDAM, Netherlands—Current opportunities for multinational corporations in China are unprecedented, but so are the employee benefit and human resource challenges that come with operating there.

Because of the overwhelming political and economic changes that have occurred in China over the past decade and the fact that the country's annual per capita income of $370 is the lowest in Asia next to that of India, China is one of the world's most challenging places to do business.

To begin with, employers, in conjunction with the Chinese government, are largely responsible for taking care of China's 1.2 billion citizens. Chinese workers long have looked to their employers and the government for housing support and, in some cases, employers are required to provide either living units or housing subsidies to employees.

And, decades of political unrest have yielded an unstructured and immature labor market with wide variations in pay and benefit practices, said Kathy A. Porter, vp-human resources with AT&T China Inc. in Beijing.

Ms. Porter spoke earlier this month in Amsterdam, Netherlands, at an international benefit and finance seminar sponsored by ASINTA, or Actuarial Sciences International Associates, a network of 16 international pension and benefit consulting firms.

AT&T has been in China since the early 1980s, but it was only in 1992 that the company began to make some progress in doing business. That was when the Chinese government rescinded a secret order prohibiting Chinese companies from purchasing telecommunication products and services from non-governmental entities. Since then, AT&T's opportunities have improved. But, at the same time, managing a workforce in China is not for the timid, Ms. Porter said.

Nearly 40 years of Communist Party rule have produced an unstructured labor market, expectations among its citizens that they will be taken care of and restrictions on employment practices.

"Due to political unrest throughout the 1960s, there is no middle-aged skilled workforce. There are only old and young workers. There are very few people in their mid-30s or 40s that we can employ," she said.

Furthermore, China, despite its size, lacks comprehensive labor and tax laws, Ms. Porter noted. What does exist are wide variations in pay and benefit practices for local and domestic employers as well as joint ventures. There are also major variations in laws in different cities and regions.

Key factors affecting companies with operations in China

See **China** *on next page*

INTERNATIONAL

Employer concerns with global growth

By MICHAEL SCHACHNER

AMSTERDAM, Netherlands—Responsibility for human resources at an emerging multinational company is like working on a rocket ship—the rate of speed at which you move is supersonic.

ASINTA

With the majority of emerging multinationals today having taken only a few years to grow from start-up companies to corporations with thousands of employees in dozens of countries, human resources is one job that's on the firing line, several human resource professionals say.

Human resource professionals at emerging multinationals are responsible for ensuring that the globalization of business goes as smoothly as possible. Implementation and oversight of global benefit programs and administrative systems is generally the responsibility of human resource staff.

At a recent global benefits and finance conference in Amsterdam, Netherlands, sponsored by ASINTA, or Actuarial Sciences International Associates, a worldwide network of 16 pension and benefit consulting firms, human resource managers at growing companies offered their views on what their jobs entail.

One human resource manager said he has committed himself to eliminating bureaucracy and unnecessary paper pushing. Another speaker said his greatest challenge is perpetuating a single corporate culture across various borders.

At PeopleSoft Inc. of Pleasanton, Calif., growth at the software company has been immense. In 1992, the company employed 80 people. It now employs about 1,000 people in 11 countries, said Steve Zarate, vp-human resources and network services.

"In a high-growth company, or any company, really, important human resources decisions can't be made in a vacuum. It's why we subscribe to the glass house theory where all customers and employees can see into what we're doing," he said.

Mr. Zarate equated working in human resources at an emerging company to space flight. "We have to have fun and move quickly. It's our goal to have the first paperless HR department. I'd like to kill the filing life cycle. I believe that if you don't print something to begin with, you'll never have to push that paper from one file to another and eventually to a warehouse."

Mr. Zarate said he's a firm believer in reducing bureaucracy in human resources. Companies that give power to their people, get fully on board the technology highway and have some imagination with what they're doing will prosper after the end of the millennium.

"Flexibility and choice allow for productivity. We should be able to get at what we want when we want it. The world is a much smaller place today. And, technology has eliminated time and geography as barriers," he said.

Convinced that a paperless, high-tech human resource department will reduce company costs, Mr. Zarate advocated imagination and discontinuity rather than tradition. "There are a lot of forces impacting things from different directions. We should eliminate traditional boundaries and bureaucracy. That's true empowerment," he said.

Bernd Maciejewski, international human resources manager with Walldorf, Germany-based SAP Corp., an integrated software firm founded in 1972, said his company has grown from 850 employees in 1989 to 6,300 today.

"Our challenge is to keep the SAP culture alive in every place we operate. We have 25 active subsidiaries in countries with a great amount of cultures. Japan is very tough for us, for example. Their culture is very different," he said.

Mr. Maciejewski said SAP's culture has not wavered since it was founded in the early 1970s. "We still believe qualified, engaged and motivated employees are important for permanent success. We place a lot of trust and confidence in our employees. We're looking for some balance beneath the chaos. People have good ideas and we want everyone to pursue them," he said.

Thus, there are no working-time rules at SAP, limited hierarchy—although SAP does have executives, and no status symbols.

"Bureaucracy is our biggest enemy. We prefer open information and communication. In such an open company, we need information flow," Mr. Maciejewski said.

Salaries at SAP are performance-based and benefits are rich.

"But, as you grow, it gets harder to meet your culture, especially if (the corporate culture) is what causes good will, morale and productivity," he said. BI

Nuclear

Continued from previous page

The 11 older Magnox stations and their liabilities, however, will be transferred to BNFL.

"We are flattered at the confidence that the government is expressing in our organization," said Neville Chamberlain, chief executive of BNFL, at the Institution of Mechanical Engineers seminar. Because managing the Magnox nuclear stations is so different than what the company does otherwise, BNFL will create a subsidiary to run the stations, he said.

BNFL is concerned, however, about also taking on any past liabilities of these stations. "The reasons, of course, for the Magnox stations remaining in the public sector are their age and large waste and decommissioning liabilities," said Mr. Chamberlain. "BNFL is not prepared to take on a net liability and we will be discussing with the government how this aspect is to be handled in some detail."

BNFL is trying to penetrate new international markets and these long-tail liabilities could upset clients, according to Mr. Chamberlain. "Our credibility is to some extent influenced by the health or otherwise of our balance sheet. I am quite determined that accepting the Magnox stations will not prejudice this in any way."

Meanwhile, the nuclear report stresses the priority the government gives to nuclear safety.

Privatization will have to be compatible with the "rigorous standards of nuclear safety" enforced by the British Health and Safety Executive's Nuclear Installations Inspectorate, the report said. The industry's pollution also is regulated by Her Majesty's Inspectorate of Pollution.

The private nuclear power companies, the government said, will be able to save money by better managing waste and decomissioning costs.

Mr. Collier of Nuclear Electric criticized the idea that privately owned nuclear power companies would cut corners on safety to improve returns.

"This really does not make sense. It is in the best interests of a privatized generator to maintain the smooth, safe and economic operation of its power stations," he said. "Having a plant shut down by a regulator because of an accident or because corners had been cut on safety is the last thing an operator wants to happen from a commercial viewpoint."

In the meantime, the government's nuclear review notes that it is "content" with the current arrangements for the industry's third-party liability insurance.

The United Kingdom, along with most of Western Europe, is a party to the Paris and Brussels Conventions on civil nuclear liability. Implemented in the U.K.'s Nuclear Installations Act 1965, it makes nuclear operators subject to strict liability and requires them to administer all claims.

The operator's liability, however, is limited.

In the United Kingdom, the limit is £140 million ($223.23 million) for any one incident, up from £20 million ($31.89 million) last year. The government ensures that compensation is paid up to £280 million ($446.46 million), either from the operator or state funds. Beyond that, Parliament may vote for further funds to compensate victims. BI

Pensions

Continued from previous page

contributions to certain types of benefit plans, he said. For example, in the United States, employees are taxed on a portion of the premiums paid for life insurance plans valued at more than $50,000, Mr. Klinck said.

One current scenario being floated in Washington is that the government will apply a 1% tax on the overfunded portion of pension plans. He said that could generate about $40 billion per year.

But there is major political, corporate and grassroots opposition to taxing pension assets or benefits. "Retirement plans have fueled what little personal savings there has been in the United States. If qualified plans, which are largely tax-exempt, had been altered in the 1980s, the U.S. would have been a non-saving nation," Mr. Klinck said.

Even so, the personal savings rate of 15.1% in the United States was less than many of its political and economic allies. For example, the personal savings rate in Japan last year was 34.4%. In Switzerland, it was 30.2%; in Germany, the Netherlands and Ireland, it was between 23.5% and 25%.

With numbers like these, Americans cannot afford to see heavy taxes on either personal or corporate contributions to pension plans if they hope to have any meaningful retirement income to live on, he said.

In Canada, the situation involving pension assets and the federal government's bleak economic status and social welfare programs is worse than in the United States, primarily because Canada has a very young population that will require retirement assistance over the next 30 to 40 years.

"Canada is the youngest member of the G-7 in terms of its population. Only 11.3% of Canadians were over the age of 65 in 1990, and although that will double by 2030, we're still very young," said Peter Beca, a principal with MLH+A Inc., a consulting firm in Toronto. "Like many countries, we're struggling to build a balance between the need to create income for the retired and fiscal stress."

Taxation of pension plan assets and contributions could become a necessity, Mr. Beca said. "It would be very unpopular, but fiscal experts are telling the government that such a move has merit. They believe the current preferential treatment enjoyed by private pension plans is too much."

Now, for the Canadian government to meet its obligations under its Old Age Security and Guaranteed Income Supplement plan and its federal pension plan, without raiding pension assets or taxing contributions, it would have to increase personal income taxes by 70% or raise the nation's sales tax to 35% from 7% or institute a payroll tax of 17% on employers.

"Canada has severe debt at a time when social security systems will be called on. The (social security system) is not sustainable in its current form. The squeeze is on, and pension plans could be in trouble," Mr. Beca said. BI

China

Continued from previous page

are the restrictions on workforce mobility. "Residency is restricted. A person cannot just transfer to Beijing from Shanghai. Laws vary by city, province and state. And nothing is translated into English. There are significant issues surrounding the lack of labor and tax laws," she said.

Infrastructure is also a problem in China. In many areas, it simply does not exist, and in areas where roads and communication systems do exist, they may be primitive and unreliable. "China is still a developing country. There are big restrictions on energy. Brownouts and blackouts are common, while highways in some areas are still made of dirt. The support from the government here is inadequate," she said.

Internal human resource challenges in China are just as abundant as external ones. Foremost is massive diversity within the workforce. Companies like AT&T, which now employs 1,400 workers in China, must build a workforce comprising people from mainland China, the islands of Hong Kong and Taiwan, Americans and other expatriates while trying to balance the wide range of provincial differences and languages.

Currently, the most qualified workforce in China is made up of expatriates. But, companies must be sensitive to the domestic workforce, so as not to initiate a government audit, which would verify that laws requiring that companies hire local workers are followed, Ms. Porter warned. "There is a lot of competition for good employees. Companies are paying for talent," she said. But a problem in China is that there are no secrets. Thus, "it seems that everyone knows exactly what someone is making or exactly what their raise was."

And, in China, age and years of service are more accepted reasons to pay employees than performance, Ms. Porter added.

Language skills may be one of the most daunting internal challenges facing a multinational in China. "There are so many languages spoken in China and all people do not speak the same languages. While there is just one written language, it's spoken differently throughout the country. Mandarin is the official language, but it is not spoken by all people similarly," Ms. Porter said.

And for a U.S. company, the demand for Chinese workers who can speak fluent, or even conversational, English far outweighs the supply.

In summary, Ms. Porter said multinationals must operate in an atmosphere dictated by the country's "seven highs," which are: double-digit economic growth; 30% inflation; up to 48% turnover; 30% to 40% wage growth; a high level of income differential between China's cities and provinces; high expatriate population; and high growth in social and economic crime.

"There are at least 30,000 expats just in Beijing," she said.

But China is a vast country that virtually is untapped in terms of its economic potential. Thus, companies that commit to China through joint ventures or by starting up wholly owned representative offices can thrive there.

It's just a matter of learning the world's largest country's nuances and realizing that despite its size and population, it's really a very new country with many intricacies and problems that will take years to iron out, she said. BI

EMPLOYEE RESOURCE SYSTEMS, INC.

EMPLOYEE ASSISTANCE PROGRAMS,
DRUG FREE WORKPLACE SERVICES,
DEPARTMENT OF TRANSPORTATION TRAINING (DOT),
MANAGED MENTAL HEALTH CARE

ONE EAST WACKER DRIVE, SUITE 2122
CHICAGO, ILLINOIS 60601

(312) 494-2780 FAX (312) 494-1424

DuPont

Continued from page 2

on a 2½-hour visit to the Robinson's orchard, during which he "'dug up roots' on some of the trees and took random pictures of a few trees that exemplified what 'he was trying to show,'" wrote Justice Raul A. Gonzales for the Supreme Court majority.

"At his deposition, Dr. Whitcomb conceded that there was no consistent pattern of damage to the trees. He did not conduct any soil or tissue testing, did not research relevant weather conditions, and did not test any of the Benlate used by the Robinsons," wrote Justice Gonzalez.

Mr. Whitcomb based his theory of damage on a method called comparative symptomology. According to Justice Gonzalez's opinion, the theory held that "because the Robinsons' pecan trees exhibited symptoms common to other plants treated with allegedly contaminated Benlate under dissimilar growing conditions, Benlate, the only common factor among all the plants, caused the damage."

The justice also noted that Mr. Whitcomb based his conclusion on an independent experiment he had conducted on Benlate for another liability case that showed damage to some plants.

DuPont asked that the trial court exclude Mr. Whitcomb's testimony, which it did. The trial court held, among other things, that the testimony was not grounded upon careful scientific methods and procedures; was not shown to be derived by scientific methods or supported by appropriate validation; was not shown to be based on scientifically valid reasoning or methodology; was not shown to have a reliable basis in horticulture; and was not based on theories and techniques that the scientific community generally had accepted.

After losing in the trial court, the Robinsons appealed.

The appeals court held that the trial court had abused its discretion.

The appellate court said that the standard for expert testimony depended on there being a body of scientific, technical or other specialized knowledge that is pertinent to the facts at issue; that the witness have "sufficient experiential capacity in his field of expertise"; and that the facts evaluated must be within the witness' field of specialized knowledge.

The appeals court held that DuPont hadn't contested Mr. Whitcomb's qualifications, but only his methodology and research.

The case was then appealed to the Texas Supreme Court, which on June 15 overturned the appeals court ruling.

Trial judges must 'scrutinize proffered evidence. . .when it is based upon novel scientific theories, sometimes referred to as "junk science," ' Justice Gonzalez wrote.

"In light of the increased use of expert witnesses and the likely prejudicial impact of their testimony, trial judges have a heightened responsibility to ensure that expert testimony show some indicia of reliability.

"It is especially important that trial judges scrutinize proffered evidence for scientific reliability when it is based upon novel scientific theories, sometimes referred to as 'junk science,' " wrote Justice Gonzalez.

After reviewing Mr. Whitcomb's methodology, Justice Gonzalez raised another question about the expert testimony. "Another factor weighing against the admissibility of Dr. Whitcomb's testimony is that his research and opinions were conducted and formed for the purpose of litigation. The fact that an opinion was formed solely for the purposes of litigation does not automatically render it unreliable.

"However, 'When an expert prepares reports and findings before being hired as a witness, that record will limit the degree to which he can tailor his testimony to serve a party's interests,' " wrote Justice Gonzalez, quoting from one of the many decisions rendered in *Daubert vs. Merrell Dow Pharmaceuticals Inc.*, a drug-related case that ultimately wound up before the U.S. Supreme Court, which in turn used it to circumscribe the use of unorthodox expert testimony (*BI*, April 5, 1993).

"On the other hand, opinions formed solely for the purpose of testifying are more likely to be biased toward a particular result," Justice Gonzalez wrote, reversing the appellate decision.

Four justices dissented. "The rule adopted by the court is unworkable because it requires judges to venture upon a determination that the foundation for an expert witness' testimony is 'scientifically reliable,' " wrote Justice John Cornyn for the minority. After criticizing the majority for relying too heavily on *Daubert*, Justice Cornyn said that his colleagues had forced the judge to "assume the role of amateur scientist and independently evaluate the reliability of the methods employed by the expert."

•

E.I. DuPont de Nemours & Co. Inc. vs. C.R. Robinson & Shirley Robinson. Texas Supreme Court. No. 94-0843. Decided June 15, 1995.

Northridge

Continued from page 1

and a professor at USC. "But business interruption occurs a long time after that."

The business interruption loss probably still is underestimated because of difficulties in measuring business interruption to companies outside the region that rely on exports and services from Los Angeles companies, the survey's authors say.

And the USC study does not fully take into account firms that went out of business altogether. Studies of previous earthquakes indicate that 15% to 30% of quake-affected businesses never reopen, the USC researchers says.

The researchers interviewed officials at 389 companies who provided information on 504 locations. Businesses were asked: if the earthquake caused them to shut down operations and for how long; how many days the business operated at reduced levels of performance; if they had a decline in the number of employees; if they had an increase in operating costs; how employees got to work; how the companies received shipments; and whether those methods changed due to the earthquake.

Employees represented the leading cause of business interruption losses in the Northridge earthquake.

More than 80% of respondents experienced some degree of business interruption. Of the remainder, 90% benefited from the earthquake because their business increased.

More than 70% of employers reported damage to their structures, but employees represented the leading cause of business interruption.

Employees attending to personal matters after the quake was the leading factor cited among companies with business interruption, followed by physical damage to the worksite and interruption of utility services.

Employees' inability to get to work or get into their buildings was cited as a business interruption cause by 61% of respondents, twice the percentage that said customers couldn't reach the business.

On average, employees missed about 3.3% of their available workdays in 1994 due to the earthquake.

The area lost more than 460,000 employee-days due to complete loss of operation and reduced levels of performance.

The durable-goods manufacturing sector was hit the hardest, accounting for 200,000 of the lost workdays. It was followed by educational services with 92,312 lost days, health services with 76,187, non-durable manufacturing with 40,749 lost days and retail with 29,630.

Company size was not a factor in determining the number of days a business was closed after the earthquake, but those with more than 500 employees had fewer days of reduced operation—seven days compared to more than 20 days reported by companies with five to 49 employees.

It takes small businesses longer to bounce back because they lack alternative facilities and financial resources, the survey authors note.

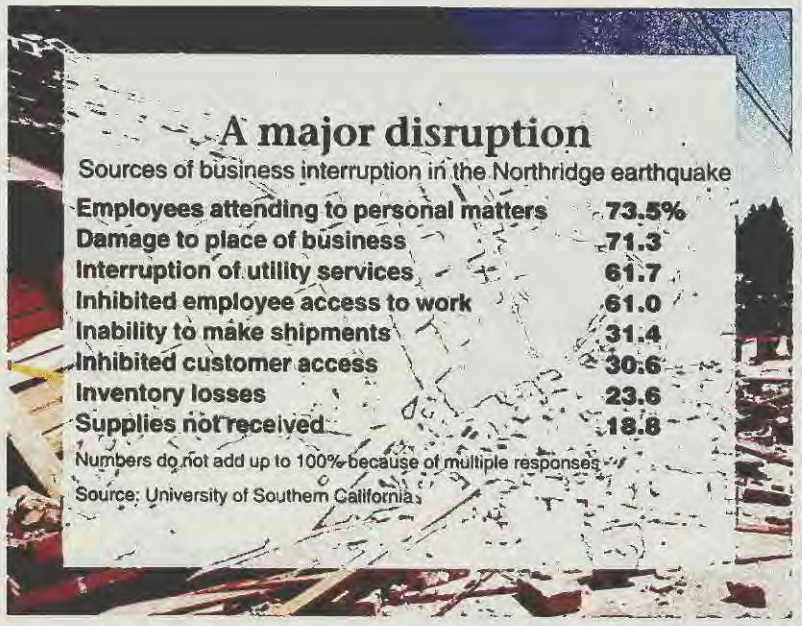
Mr. Gordon and co-author Harry W. Richardson also had conducted a study of a hypothetical earthquake in 1992, which estimated that business interruption would add about 41% to total earthquake costs.

The study notes that many losses are less than might have been expected for such a quake, due to the time of day, a low number of fatalities and limited fire damage.

The business interruption losses also will cost federal, state and local governments reduced tax revenues. The federal government will lose about $529.2 million; the state, $163 million; and local governments, $164.4 million, the study says.

•

Copies of the study are not available to the public.



E & A | EDWARDS & ANGELL
COUNSELLORS AT LAW
since 1894

We are pleased to announce that
ALAN J. LEVIN
has become a Partner of the Firm

Resident in our Hartford office, Mr. Levin is Chair of our insurance practice group. Mr. Levin specializes in matters affecting the insurance industry and represents insurers, reinsurers, regulators, agents and brokers, reinsurance intermediaries, lenders, investment banks and trade associations. He is also experienced in representing overseas insurers and has been involved with raising corporate capital to be deployed at Lloyd's of London.

HARTFORD PROVIDENCE BOSTON NEW YORK
PALM BEACH NEWARK NEWPORT

"Be sure that you return it."

If you're racing through this issue of *Business Insurance* because you "borrowed" it from a colleague, you should have your own subscription. Then you'll be first on the list. You can take as much time as you like with all of *Business Insurance's* exclusive worldwide news of loss prevention, risk financing and benefit management every week.

To subscribe, use the card in this issue or Call 1 (800) 678-9595 Toll-Free.

Ask about our special 20%-off group subscription rate for five or more subscriptions. A great way to save money. And avoid pass-along problems.

Subscription Rates in U.S. Dollars for 1 year, 52 Issues.

	Surface Mail	By Air
USA	$80	$175
Canada/Mexico	$100*	$198*
All other countries by expedited air.		$200

*Price includes Canadian GST.

Business Insurance.
Subscription Dept.
965 E. Jefferson
Detroit, MI 48207
Outside the USA
Call (313) 446-0450

The Professional Marketplace

RATES AND CLOSING TIME:

Rates: *Display classified is $142.00 per column inch, minimum of one inch. Straight classified is $12.50 per line, minimum of 5 lines. Count 34 characters per line (include each space and punctuation as a character). Additional $20.00 charge for all blind box ads. Only those responses which fit into a business size envelope will be forwarded. Responses are forwarded daily.*

Closing: *Published every Monday. Copy must be in typewritten form by 5:00 p.m. Tuesday, 6 days preceding publishing date. No verbal phone copy accepted. Prepayment required for all advertisements. Mail ads to, Cheryl Butler, Classified Advertising, 740 N. Rush St. Chicago, Il. 60611. For more information call 312-649-5340. FAX 312-649-7799*

HELP WANTED

Casualty-Risk Control Manager

Jersey City, NJ location

Make a direct impact on the growth of NatWest Bank, one of the nation's most progressive financial institutions. We are seeking a highly knowledgeable professional with strong analytical, marketing and computer skills.

The selected candidate will have 6-8 years in risk management, casualty brokerage or underwriting. An in-depth understanding of all casualty lines, retrospective rating plans, alternative funding mechanisms, exposure analysis, and contract review is essential. Emphasis is on risk control and claims management.

We offer an excellent salary, comprehensive benefits and a highly professional work environment. For prompt consideration, please fax or send resume, with salary requirements, to: **Human Resources, Dept. PM, NatWest Bank, 175 Water Street, 4th Flr., New York, NY 10038. Fax: (212) 602-3669.** We are an equal opportunity employer.

NatWest Bank

a member of the National Westminster Bank Group Member FDIC

BUSINESS INSURANCE CLASSIFIEDS ASSURE TOP QUALITY RESULTS

Insurance

INTERNATIONAL SENIOR UNDERWRITERS

impact.

our Strategic Expansion

The CNA Insurance Companies, the largest commercial lines insurance company in the nation and the third-largest property/casualty insurer, have recently merged with the *Continental Insurance Companies.* This has created exceptional opportunities in our home/foreign operation for talented professionals who share in our commitments to excellence, integrity and customer focus.

To be a part of our aggressive growth plans, the successful candidates will possess 5-8 years experience with producers and customers emphasizing liability, workers' compensation and property coverages for a broadening book of national and global accounts.

If selected, you will impact a cutting-edge industry leader which is well-positioned to capitalize upon market opportunities. We apply technology to all aspects of the business: from automated marketing and sales systems (including electronic communication with distributors) to the utilization of electronic underwriting files, underwriting management databases and electronic product delivery. A major player in the U.S. specialty market, we seek to export those competencies overseas.

Join in the success of an acknowledged industry leader which capitalizes on long-standing values and continues to flourish. CNA provides an excellent salary and employee benefits package which features a 401(k) plan. Forward your resume with salary history to: **Human Resources Manager, CNA Insurance Companies, One Continental Drive, 3rd Floor, Cranbury, NJ 08570. Fax: (609)395-7408.** Equal Opportunity Employer M/F/D/V

CNA

For All the Commitments You Make®

EXECUTIVE SALES

A national cost management service company is seeking successful sales professional to call on corporate accounts in the Southeastern territory. Proven consultative selling skills are required. Experience selling to risk management, brokerage and insurance industry professionals is desirable.

Compensation includes base salary plus commission, expense reimbursement and excellent fringe benefit package. Send resume to:

NAS REPLY SERVICE
Dept. 6C0118
35 East Wacker Drive
Chicago, IL 60601

Equal Opportunity Employer
M/F/D/V

RISK MANAGER

Santa Monica, California based regional shopping center development company seeks risk management professional responsible in coordination with the Director of Asset Management, Chief Financial Officer, and General Counsel for directing and administering all functions of risk management, property/ casualty insurance, employee benefits, and 401(k) programs. Position reports to Director of Asset Management. Qualified candidates shall have 5-7 years of corporate risk management responsibility with real estate and/or REIT expertise. ARM, CPCU, MBA, or other academic credentials are required. Submit resumes and salary requirements to:

Director of Asset Management
P.O. Box 2172
Santa Monica, CA 90407

Plan ahead for your recruitment advertising
July 10th issue closes
July 5th at 10 a.m.

PROPERTY CLAIMS VICE PRESIDENT

Applicant will have at least seven years property insurance/ claims experience of which a minimum of three years has been in a management role.

This home office position involves hands-on claims adjusting and overseeing independent engineers and adjusters. Domestic and international travel required and command of the Spanish language would be extremely useful.

Account consists of major national and international clients including large oil, petrochemical, mining, retail and manufacturing risks.

Houston Casualty Company is rated "A" by A.M. Best Company and the parent company, HCC Insurance Holdings, Inc. is traded on NYSE under the symbol "HCC".

To apply, send your resume to: Houston Casualty Company, Human Resources, 13403 Northwest Freeway, Houston, TX 77040. We are an equal opportunity employer.

Houston Casualty Company

Rewarding Sales Opportunity

The leading third party administrator in the Midwest may be the opportunity you have been looking for!

We're looking for an aggressive, results oriented sales professional with 5+ years experience to market our self-insurance services. The ideal candidate will have knowledge of the self-insurance market in the state of Indiana and must be licensed in the state. A four year degree is preferred, with a strong emphasis in marketing, business or finance. Professional insurance designation, CIC, ARM, CPCU a plus.

This account executive position offers extensive career advancement opportunities and a competitive compensation and benefits package including Medical, Dental, 401(k) and ESOP plan. If you are interested in joining an innovative, fast paced, growth oriented company, this is the position for you. Please send resume with

LOSS CONTROL COORDINATOR

Seattle, Washington. For self-insured pool to provide services to school districts. Requires BA/BS and 2 years property/casualty loss control exp. (additional 2 yrs exp. or certification in safety or loss control in lieu of degree), valid drivers lic., flexible hours. Open until filled. Salary nego. Excellent benefits; call (206) 439-3636 for application packet. TDD (206) 439-6966. EOE.

ASSOCIATE RISK MANAGER

Large New York City based financial services company is seeking an associate risk manager to handle property, casualty, fidelity and D&O insurance programs. Candidates must have experience with casualty retros or cash flow programs and D&O or professional liability coverages. Must communicate with all levels of management and work independently. Literacy in DOS and Windows is a must. Prior experience in loss control, real estate operations, or with financial services company is helpful. Send resume to: P.O. Box 165, Attn: L.B. Jones, New York, New York 10159.

INSURANCE ADMINISTRATOR ($41,664 - $51,912)

School District of Philadelphia seeks a highly motivated, self-starting professional to assist in its risk management program. A bachelor degree and 4+ years of commercial lines of insurance and risk management experience required. IIA/CPCU courses preferred. To receive application package, please write to:

Office of Human Resources
Applications Unit
55 North 22nd Street, First Floor
Philadelphia, PA 19103-1396
(215) 299 - 7894

APPLICATION DEADLINE: 8/04/95

INSURANCE CONTRACT EDITOR/ COMPLIANCE TECHNICIAN

S.F. Bay Area employee benefits brokerage firm seeks independent contractor to provide contract analysis services. Responsibilities include reviewing health insurance/HMO contracts and benefit summaries for typos, grammar and compliance with federal and multi-state mandated benefits, and resolving errors and finalizing drafts with insurance carriers. Qualifications include excellent proofreading/editing skills, familiarity with COBRA, ERISA, FMLA, ADA, IRS S125/9, QDCSOs, Calif. AB 1672, SB 1910, and ability to keep current with legal/regulatory developments. Degree and 3+ years compliance experience with legal, brokerage or insurance firm required. Responsible offerors are invited to fax proposals/resumes to (415) 692-2644.

YOLO COUNTY PUBLIC AGENCY RISK MANAGEMENT INSURANCE AUTHORITY (YCPARMIA) IS SEEKING A CHIEF EXECUTIVE OFFICER

This sophisticated and established Insurance Authority, located in Woodland just a short drive from Sacramento, provides its 10 member entities with risk protection through safety inspections and training, coordination of risk policies, management education, staff training, wellness programs and appropriate loss coverage. The Authority's budget is over $6 million and reflects a staff of 6.

The successful candidate will be an experienced executive who understands liability insurance, workers' compensation, loss control and claims administration and works well with staff and Board members. Essential personal characteristics include decisiveness, responsiveness, and creativity. Typical candidates include pool administrators, risk managers, claims administrators and seasoned local government managers such as chief executives, assistants, finance directors, human resource directors and program managers.

The salary range for the position is $55,692-$67,695. In addition, the Authority offers an attractive benefits package.

Final filing date is Friday, July 21, 1995. To apply, submit your resume, current salary and three work-related references to: Shannon Associates, 1601 Response Road, Suite 390, Sacramento, CA 95815. Tel: (916) 567-4280, Fax: (916) 567-1220.

ADJUSTORS, ESTIMATORS AND SALES

Public adjusting firm located in Michigan has openings for Adjusters, Estimators and Sales. Many benefits. Call Stewart Shipper at 1-800-336-6960.

REINSURANCE LAWYER

Prestigious financial services company headquartered in Southeast seeks an experienced reinsurance lawyer with prior general corporate and commercial experience. Career opportunity to be a key member of the legal team of an industry leading global public company with superb national and international reputation. Successful candidate will have excellent credentials and minimum five years experience.
Mail resumes with salary history in confidence to:

ELAINE P. DINE, INC.
115 East 57th Street
Suite 1210
New York, New York 10022
Fax: (212) 755 - 8486

Attention: **Alisa F. Levin, Esq.**

SUPERVISOR - EMPLOYEE BENEFITS Milwaukee Public Schools

MPS seeks a motivated, experienced individual to administer benefit programs, assist in renewal of programs and related services, prepare and analyze related and division budgets and evaluate benefit design and administration. Salary range of $49,163 to $69,174 annually complements an excellent benefit package. Preferred qualifications include a bachelor's degree in business administration or a related field and five years of responsible experience researching trends in benefit plans, supporting benefit plan renewals, analyzing benefit plans, developing cost reporting systems, administering large employee health/pension plans and supervising staff. City of Milwaukee residence required within one year of appointment. For application materials write City Staffing Division, Box SEB, Room 706, 200 East Wells Street, Milwaukee, WI 53202 or call (414) 286-3751.

An Affirmative Action/Equal Opportunity Employer

Business Insurance®

Circulation Breakdown
Commercial Consumers

Administrative:
CEO's, Presidents, and Owners 2,009
Vice Presidents, General Managers and Other Administrative Personnel 5,645

Financial:
Chief Financial Officers and Vice Presidents of Finance 3,539
Secretaries, Treasurers, controllers and other Financial Personnel 3,279

Risk/Employee Benefits:
Vice Presidents, Directors, Managers, and other related department personnel of: insurance, risk, employee benefits, personnel, compensation, pension, safety, security, industrial relations, human resources and employee/labor relations 15,529

Sub-total **30,001**
Associations 343
Government, Unions and Educational Institutions 950

Commercial Consumers
Sub-total **31,294**
Insurance Agents and Brokers 8,285
Insurance Companies 7,687
Accountants, Actuaries, Attorneys & Consultants 3,563
Adjusters, Appraisers, TPA's, Captive Managers & Health Care Providers 1,844
Others Allied to the Field 1,028

Total Qualified **53,701**
Non-qualified 74
Single Copy Sales 6

TOTAL CIRCULATION **53,781**

★ *Source Business/Occupational breakdown of qualified circulation, November 28, 1994 Issue, as submitted to BPA for December 1994 BPA Publisher's Statement*

Coverage

Continued from page 2

sides guessing as to the appellate court's reasoning.

But, attorneys say, if the District Court finds for the plaintiff when the case is tried, that could pave the way for other plaintiffs to obtain coverage for "experimental" treatments, even when group health insurance policies specifically exclude such treatments.

Bodine Aluminum offers employees a comprehensive group health insurance policy through St. Louis-based Alliance Blue Cross & Blue Shield.

The insurance policy covers traditional chemotherapy treatment but excludes HDCT for several types of cancer, including breast cancer.

In April, Karen Henderson, a dependent covered under Bodine's health plan, was diagnosed with breast cancer.

Ms. Henderson later was selected to participate in a clinical trial sponsored by the National Cancer Institute.

The clinical trial randomly assigns patients to receive standard chemotherapy or high-dose chemotherapy but does not provide funding for the treatment.

While it was unknown which therapy Ms. Henderson would receive, Barnes Hospital in St. Louis, one of the facilities participating in the NCI trial, refused to begin treating Ms. Henderson until Bodine and Alliance BC/BS assured the hospital they would pay for HDCT treatment.

The cost for such treatment ranges from $65,000 to $100,000.

Bodine and Alliance BC/BS refused to pay for the treatment, citing the policy exclusion.

Ms. Henderson sued Bodine and Alliance BC/BS, claiming "breast cancer disability" discrimination under the federal Americans with Disabilities Act, and gender discrimination under federal and state civil rights laws. Her complaint sought coverage for the HDCT, should she be chosen for that treatment regimen, as well as compensatory and punitive damages from Bodine and Alliance BC/BS.

By providing HDCT coverage for some cancers but not breast cancer, Bodine's health plan "discriminates as to disabilities," a violation of Title III of the ADA, commented Sheldon Weinhaus, the St. Louis attorney who represents Ms. Henderson.

In addition, he said, denying coverage of HDCT for breast cancer patients causes "a disparate impact on the female sex," which violates Title I of the ADA and Title VII of the federal Civil Rights Act, as well as the Missouri Human Rights Act.

"Clearly an employer has an obligation not to discriminate with respect to fringe benefits," Mr. Weinhaus said.

"If an employer is going to buy a discriminatory policy it will have to answer for it," he said.

In a June 15 order, U.S. District Court Judge Charles A. Shaw said there was not enough evidence to support Ms. Henderson's discrimination claims.

Judge Shaw noted that "the language of the (Bodine health plan) does not single out breast cancer for exclusion of coverage" and "the plan, on its face, makes no distinction based on sex in denying coverage for high-dosage chemotherapy."

Judge Shaw denied Ms. Henderson's motion for coverage on procedural grounds because she "failed to show alternative treatment is unavailable" and did not "exhaust the contractual duties" under the Employee Retirement Income Security Act.

ERISA, which governs employee benefit plans, requires claimants to go through an appeals process, generally limited to 60 days, before they can file any civil litigation.

The 8th Circuit panel reversed the lower court's order in a 2-1 decision, ordering Bodine and Alliance to promise to pay for either standard or high-dose chemotherapy treatment for Ms. Henderson so she could qualify for the NCI clinical trial.

On June 20, Ms. Henderson began undergoing tests to determine whether she is still healthy enough to participate in the NCI clinical trial, according to Mr. Weinhaus.

Attorneys would not speculate whether the courts will accept the discrimination theory when Ms. Henderson's case is tried.

"What the 8th Circuit order tells you is this is a theory which needs to be considered by employers and insurance companies. If you have exclusions in health care plans for treatment, beware. You may have plaintiffs that say exclusions or limited coverage provisions are discriminatory," said Stanley Schroeder, an associate with McMahon, Berger, Hanna, Linihan, Cody & McCarthy in St. Louis.

Mr. Schroeder, who represented Bodine and Alliance BC/BS, said he doesn't know why the 8th Circuit reversed the district court. But, he stressed, neither court indicated that any discrimination actually took place.

'This ADA claim assumes that high-dose chemotherapy has equal medical value across all conditions and that is contrary to. . .medical science,' says Thomas Johnson.

Thomas Johnson, a defense attorney who specializes in coverage denial suits, said that he is puzzled by the appellate court's reversal, especially since the 8th Circuit based its decision on the same evidence that the District Court had.

"Here is a district court saying the plaintiffs haven't submitted sufficient evidence to demonstrate gender-based discrimination or disability-based discrimination under the ADA. The 8th Circuit had the same information but they" reached the opposite conclusion, said Mr. Johnson, a partner in the Omaha, Neb., firm Baird, Holm, McEachen, Pederson, Hamann & Strasheim.

Depending on what the 8th Circuit court's written opinion indicates, the decision "opens the door narrowly or widely" for similar actions to be brought under the aegis of the ADA and civil rights laws, Mr. Johnson noted.

If courts adopt the view that denying payment of HDCT for breast cancer patients is discriminatory, "it would be very difficult to have any exclusions that could differentiate between illnesses or treatments," Mr. Johnson explained.

"That is disturbing because even though HDCT has achieved widespread approval for treatment of certain lymphomas, it is still a divided issue for breast cancer cases," he said. "This ADA claim assumes that high-dose chemotherapy has equal medical value across all conditions and that is contrary to. . .medical science."

Mr. Weinhaus claimed the 8th Circuit panel based its decision on the belief that no alternative therapy was available to Ms. Henderson.

"If the plaintiffs attorney is correct and the 8th Circuit found there is no alternative, that would mean it was able to reach a conclusion on a limited record in two days, something the NCI has been unable to reach after seven years of study," countered Mr. Johnson.

Earlier this year, the Missouri Legislature passed a bill that would require commercial health insurance policies to pay up to $100,000 for HDCT for breast cancer patients.

Missouri Gov. Mel Carnahan is expected to sign the bill, which would go into effect for new insurance policies issued in 1996, next month.

•

Karen E. Henderson vs. Bodine Aluminum Inc., 8th U.S. Circuit Court of Appeals; No. 95-2469EMSL, June 16, 1995.

Insurance Services Guide

CPCU® and IIA candidates
I guarantee you will learn more in less time with The Burnham System — or your money back
Ray Burnham, CPCU, CLU, ARM
19 Everett Street, Southbridge, MA 01550
Call 1-800-GET-CPCU Now!

WATER DAMAGE?
RENT DESICCANT DRYING TRAILER
Self Contained Units Include:
- Desiccant Dehumidifiers
- Electric Heater
- Diesel Generator
- Hydraulic Lift Gate



800-368-3824
RENTAL TOOLS & EQUIPMENT CO.
15 Depot Locations • Over 40 Years Service

SBPA SYSTEMS
- MEDICAL
- DENTAL
- VISION
- DISABILITY
- LIFE

Innovative benefit administration systems for today and beyond.
1-800-444-1189
10777 Westheimer, Suite 125
Houston, TX 77042
FAX 713-974-3544

Advertise in the July 3rd
Midyear Market Report
ISG Ad closing Tuesday, June 27th.

Control Staffing Costs
In Medical/Dental Claims Processing
Use CSRG's *Flexible Staffing* to:
- Reduce staffing costs immediately
- Increase claim production instantly
- Reduce overhead permanently

CSRG CLAIM SERVICES RESOURCE GROUP
Proven Results in Over 1,500 Companies Nationwide.
800-288-3920

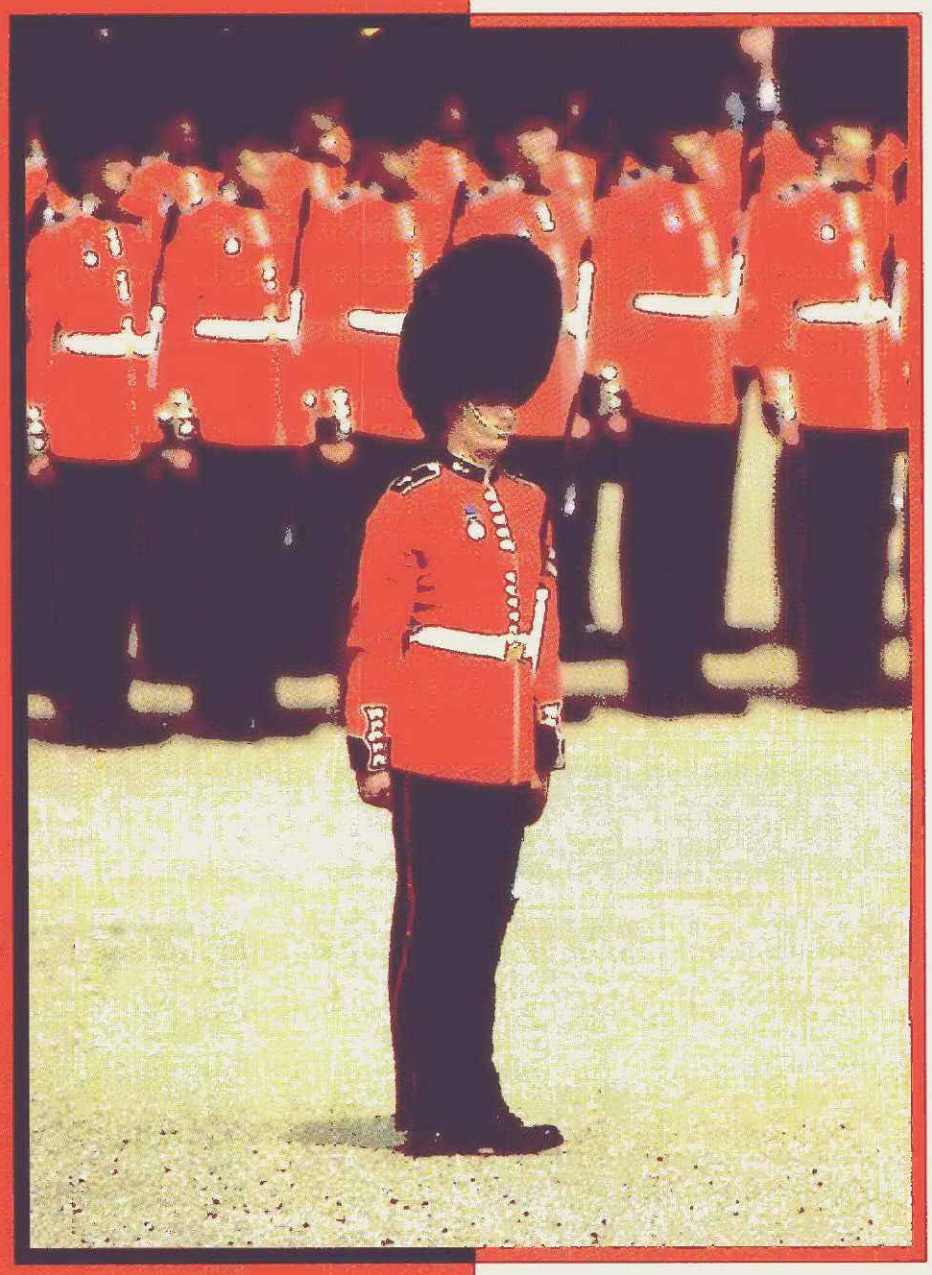
Business Insurance's
'95 Tapes Are Available
Three original daily programs include news segments; risk management and employee benefits features; highlights from major conference sessions; interviews with leading corporate and industry executives, RIMS staff, attendees and exhibitors; plus coverage of conference events.
TO ORDER: Dial Kerry Braddick at *BI*: 212-210-0229
While supplies last.
$50 for a set of three programs. $25 for any single day.
Cost includes standard shipping. Pre-payment required. Make checks payable to *Business Insurance* or charge to Visa, Mastercard, or American Express. Write to *Business Insurance*, TV'95, 220 E. 42nd Street, New York, NY 10017. Fax your order to Kerry Braddick, TV'95, at 212-210-0704.

WLT FULLY INTEGRATED SYSTEMS SOLUTIONS
- Benefit Administration/Risk Management Systems
- Bill Editing Systems/Review Services
- Premium Billing Systems
- EDI/Auto Adjudication
- Managed Care/24 Hour Coverage
- National PPO Access/PPO Repricing
- PC/Network-based Systems
- Purchase/Finance/Lease/On-line options

Call Today For More Information Or A Free Demonstration
631 N. Hercules Ave.
Clearwater, FL 34625
A Commitment To Excellence

For advertising information in the INSURANCE SERVICES GUIDE Contact: Cheryl Butler, Classified Advertising
740 N. Rush Street, Chicago, Illinois 60611. Telephone (312) 649-5340

STAND OUT



AGENT/BROKER PROFILES

Publishing: July 17

Ad Closing: July 5

AMONG THE RANKS

Whether you want to reach the buyers or the sellers of commercial insurance, *BI's Agent/Broker Profiles* can help you stand out from the rank and file and call your best prospects to attention.

Corporate executives rely on this annual issue to help enlist the right broker for their coverage and consulting needs. Insurers use it to keep track of the leading intermediaries in the market. And of course, agents and brokers read it to find out how they're faring among the competition.

This commanding issue is equipped with exclusive rankings and profiles of the world's top 20 brokers, fortified by a powerful roster of the 100 largest U.S. brokers and flanked by *BI's* comprehensive *Directory of Agents & Brokers*. Plus it's armed with a reader response vehicle designed to help prospective buyers easily enlist your services.

Position your company as a leader by advertising in *BI's Agent/Broker Profiles*, publishing July 17. Space reservations close July 5, so sign up today.

NEW YORK: 220 East 42 Street ▪ NY 10017-5806
212-210-0133 ▪ Fax 212-210-0704
CHICAGO: 740 Rush Street ▪ IL 60611-2590
312-649-5276 ▪ Fax 312-649-7799
LOS ANGELES: 6500 Wilshire Blvd ▪ CA 90048-4947
213-651-3710 ▪ Fax 213-655-8157

Business Insurance®
Coverage Guaranteed

Merger

Continued from page 1

MetraHealth said last week that the deal was a virtual certainty.

The source said United HealthCare is offering MetLife and Travelers a package of $1.65 billion in stock and cash and an additional $350 million if MetraHealth meets its earnings projections for 1995.

MetLife is reportedly supportive of the deal and will seek to take its portion of the $1.65 billion primarily in stock because the New York-based insurer is optimistic about the potential of the group managed care field, in which United HealthCare is a leading player.

Conversely, the source said that Hartford, Conn.-based Travelers is much less keen on the group health business.

Travelers' Chairman and CEO Sanford Weill has publicly acknowledged he would like Travelers to divest all of its group health care holdings as quickly as possible and concentrate on non-health-related lines of business.

When formed last summer, MetraHealth had nearly 13 million customers. It now has about 11 million subscribers, nearly 80% of whom are in unmanaged or loosely managed health plans. The company posted about $40 million in net income in first-quarter 1995, its first full quarter of operations. Those earnings were on target, a company spokesman said.

The company declined to provide information on its medical loss ratio, which represents medical costs as a percentage of premium revenues.

United HealthCare, on the other hand, has about 3.7 million customers, all of whom are enrolled in managed care plans. Its first-quarter net income totaled $89.4 million and it reported an enviable medical loss ratio of 78%.

While United HealthCare has made numerous acquisitions of smaller HMOs over the past several years, its purchase of MetraHealth makes it one of an elite group of cash-rich managed care companies that have enough money to gobble up even larger players.

WellPoint Health Networks Inc. earlier this year acquired Health Systems International Inc., forming an HMO with some 4.4 million managed health plan members (*BI*, April 3). In addition, FHP International Corp. acquired TakeCare Inc., forming an organization with more than 1.7 million managed health plan members (*BI*, March 7; Jan. 17, 1994).

But, United HealthCare's purchase of MetraHealth may be more akin to an ant acquiring an elephant and could pose problems not present in previous HMO mergers.

"I'm really very surprised by this because United HealthCare has always been a selective company that has picked small, high-quality plans that are either well managed or that could quickly and easily benefit from the management and group purchasing strengths of United," said Helen Darling, manager-health care strategy and programs for Xerox Corp. in Stamford, Conn.

"In many ways, this is the opposite. Neither Travelers nor Met is among the leaders in any market and they don't hold any strong niches. United is buying access to markets, but they are buying relatively weak organizations. United will have a lot of management challenges ahead if they want to make a silk purse out of this."

Robert Mains, an analyst with First Albany Corp. in Albany, N.Y., said the price at which United HealthCare would acquire MetraHealth is "attractive." However, he said, United HealthCare would be assuming some significant risks by taking on nearly 6 million customers in unmanaged indemnity plans.

"There have been ample examples lately of indemnity insurers running into trouble, so United can't let that large indemnity chunk pollute its existing book of business," Mr. Mains said.

He pointed out that when Healthsource Inc. in December acquired the group health business of Provident Life & Accident Co. of America Inc. for $231 million, Provident was mostly providing administrative services to self-insured employers. MetraHealth, in contrast, fully insures the majority of its indemnity plan business.

Based on how many unmanaged lives United HealthCare is acquiring, Mr. Mains said it would need to convert about 500,000 people per year, starting in 1996-1997, to make the deal profitable, or underwriting losses could set in.

"Xerox offers United HealthCare plans in a number of markets and we don't want to see their strengths drained by this acquisition," said Ms. Darling.

The likelihood that MetraHealth will be sold only one year after its formation—for a price that one analyst called "cheap"—and just a few months after it truly got up and running, prompted observers to question whether MetraHealth's future is cloudier than its present. Some went so far as to question whether the joint venture was formed at Traveler's behest primarily to create a group health care entity that would be more attractive to potential buyers.

"The merger of Travelers and MetLife was never a smooth one. To see them going to UHC so soon makes one wonder if MetraHealth was simply a creation for sale," said Michael Sass, a principal with A. Foster Higgins & Co. in New York.

Mr. Sass pointed to Travelers' Mr. Weill's open desire to withdraw from the health care market as impetus for the sale.

"I suspect Sandy Weill has better places to put his share of $2 billion," Mr. Sass said.

"If I were an insurer, I'd want to get out of the health business, too," agreed Fred Hamacher, vp of compensation and benefits for Minneapolis-based Dayton Hudson Corp., which offers both United HealthCare and MetraHealth plans to employees.

"There are a lot more profitable businesses for an insurer to be in, like life insurance, pensions and 401(k)s," he said.

"I think it's hard to make money in health insurance and it'll be very difficult in the future as buyers get smarter and smarter," Mr. Hamacher said.

'I think it's hard to make money in health insurance and it'll be very difficult in the future as buyers get smarter and smarter and smarter,' says Fred Hamacher.

Other analysts and consultants could not find much fault with MetraHealth's apparent willingness to sell, either.

The company currently has 8.8 million customers in traditional fee-for-service indemnity plans or loosely managed preferred provider organizations. It has been described widely as a struggling company that stood little chance of thriving in a group health care market that has clearly turned the corner toward heavily managed care, primarily in the form of health maintenance organizations.

Observers said MetraHealth, which has only 400,000 members in pure HMOs and another 1.7 million people in POS plans, is the product of two companies' weakly managed group health portfolios—ones that were weighted far too heavily toward fee-for-service indemnity business. They said the joint venture of MetLife and Travelers was likely formed with hopes of converting the 8.8 million non-managed care customers to managed care plans, but MetraHealth's management realized that such a task would be too difficult.

"These were two widely divergent companies getting together in a merger that seemed remarkable. When it was announced, I thought it would take an incredible feat for them to pull it off," said Jerry Lanoux, a principal with Buck Consultants Inc. in Boston. "Maybe over three to five years it could happen. But this deal seems to say that MetraHealth was too little too late."

The source familiar with the negotiations agreed that originally the two companies thought they could convince members to convert to managed care. He also said that an initial public offering by MetraHealth about two to three years after its formation was planned in order to raise capital to help that transition to managed care.

But, that may have been wishful thinking, said Foster Higgins' Mr. Sass. "MetraHealth came out of two heavy fee-for-service companies that were maybe moving toward capitation at most. They were firmly from the indemnity world. Their experience was in managing costs, not care. It was all about utilization review, not telling doctors and hospitals how to operate."

United HealthCare is much better at heavy managed care and will likely do all that it can to convert MetraHealth indemnity members into HMOs. If it's successful, the deal represents colossal growth potential for the company.

One HMO industry analyst said that even if United HealthCare succeeds in converting half or one-third of those not already in managed care, it will get its money's worth from the deal.

"$1.65 billion is a very cheap price for 11 million people. That's basically $180 per life, so even if they hold on to half of those unmanaged people, it will be OK for UHC," said Mary O'Connell of Louis Nicoud & Associates in San Francisco. Ms. O'Connell said MetraHealth was a deal born out of critical mass and it failed. "They thought they could graduate all those indemnity plan customers to managed care and it wasn't happening. And $40 million in first-quarter earnings on projected revenues of $15 billion to $17 billion isn't very good. This will be a big but potentially profitable job for United."

"It's a bonanza," asserted Buck's Mr. Lanoux. "The profits that HMOs are throwing up are enormous. If UHC can make the necessary conversions, they're going to be very happy." However, he cautioned that it will likely take United HealthCare three to five years to "get it all together."

Working in the company's favor, Mr. Lanoux said, is that MetraHealth is truly national, though its greatest saturation is east of the Mississippi River. MetraHealth's geographical scope, therefore, gives United HealthCare the opportunity to become the first national HMO network. "No HMO has a national presence," he said. "UHC is great locally, but just like all the big players like Kaiser and Oxford, it's not national. Their strategy has to be to blanket big areas. If they play their cards right and they transition most of those 8.8 million people over, they'll make a bundle."

Joe Glimbizzi, a principal with Kwasha Lipton in Fort Lee, N.J., said he was surprised United HealthCare has chosen this time to make a huge health care acquisition.

Prior to press reports of the deal last week, the company's stock was down more than 11% for the year.

"HMOs are taking a beating this year, so it seems odd that UHC would want to acquire MetraHealth after its slow start. We have been disappointed with MetraHealth and have found them to be very disorganized. Some of our clients are still waiting for quotes," Mr. Glimbizzi said.

But, United HealthCare could still make it work, he said. "They're probably big enough to make it work, which would be great. But can they keep all those people in PPOs and fee-for-service plans? If they all go elsewhere, then what?" BI

Top five HMOs

Based on employee dependent membership.

Kaiser Permanente	5,486,229
UHC/MetraHealth	5,424,000
WellPoint/HSI	4,400,000
Prudential Health Care Plan Inc.	4,000,000
CIGNA HealthCare Inc.	3,316,951

Source: Company reports

Moving up on No. 1

Combined, United HealthCare Corp. and MetraHealth Cos. would rank as the second-largest HMO based on employees and dependents enrolled in HMO and POS plans.

UHC 3,324,000 + MetraHealth 2,100,000

= 5,424,000 total

Source: Company reports

GRAPHIC BY JOHN HALL

Banks

Continued from page 2

Iowa, saying that allowing banks to engage in insurance-related activities would put the banking system on a sounder financial footing and better meet consumers' interests by creating a more competitive financial services industry.

But, insurance producers don't share that assessment. "This amendment prohibits the comptroller from prospectively pre-empting any more state laws and from declaring insurance products to be banking products in the future," said Robert Rusbuldt, vp-federal government affairs for the Independent Insurance Agents of America in Washington. While enactment of the legislation would level the playing field for agents in the future, it doesn't deal with some current problems they face, Mr. Rusbuldt said.

The Washington-based Council of Insurance Agents & Brokers also weighed in with a letter to Banking Committee members.

"This is not an issue about the insurance industry's fear of competition. It's about fairness in regulation. If the members of our association must abide by state insurance regulation, so too should banks," wrote Ken A. Crerar, the Council's executive vp, and Joel Wood, the group's vp-government affairs.

Dean A. Sackett III, assistant vp-government affairs for the National Assn. of Professional Insurance Agents in Alexandria, Va., also wrote to the committee, saying that banks "shouldn't expect to bypass the existing state regulatory structure and gain unfettered access into insurance by OCC (Office of Comptroller of the Currency) fiat."

Not surprisingly, the banking industry is disappointed with the language.

The amendment "would jeopardize the existing insurance activities of national banks by permitting states to: impose geographic restrictions on the insurance activities of national banks; prohibit insurance sales in the lobby of a national bank; impose regulations on the insurance activities of national banks that are not applicable to other providers of insurance; prohibit national banks from selling annuities on any basis other than the fact that the national bank is a bank; and regulate traditional banking products, such as letters of credit, as insurance," wrote the American Bankers Assn., the Assn. of Banks in Insurance and the Consumer Bankers Assn., in a June 20 joint letter to committee members.

Under the OCC amendment, which will be offered by Rep. Leach, nothing in the Federal Reserve Act "may be construed as limiting or otherwise impairing the authority of any state to regulate insurance, including the extent to which, and manner in which, a national bank may engage in insurance activities."

The bill defines insurance as "any product defined as, or regulated as, insurance by the insurance regulatory authority of the state in which the product is sold, solicited or underwritten, consistent with state law, including any annuity contract the income of which is tax-deferred" under the relevant section of the Internal Revenue Code.

The bill would provide protections for national banks against discriminatory treatment by state insurance regulators.

The legislation also would prohibit states from imposing "any insurance regulatory requirement relating to providing insurance as an agent or broker that treats a national bank differently than all other persons who are authorized to provide insurance as agents and brokers. . .or that treats a national bank less favorably than a bank chartered by such state."

States also would be forbidden from subjecting banks to discriminatory licensing qualifications and procedures. BI

Superfund

Continued from page 1

du Pont de Nemours & Co., who appeared on behalf of the CMA.

"Let's look at this fairly and honestly: Repealing retroactive liability would result in an enormous financial windfall for insurers. It would absolve them from their contractual liabilities under insurance policies which the courts have said do indeed include Superfund liabilities.

"The insurance industry ought to come to the table now to discuss what they will voluntarily contribute to ensure that repeal of retroactive liability is a fair and workable solution," said Mr. Reilly.

Neither insurers nor risk managers were moved by the CMA's call to resurrect the EIRF.

"I think they believe they're serious, but I don't believe there is any support in the industry at all for such a monster. And there was not a single member of the panel who said anything encouraging about that type of plan on the majority side," said Julie A. Rochman, assistant vp in the Washington office of the Alliance of American Insurers. The Alliance had opposed the EIRF last year.

"The EIRF's time has come and gone. It's dead—Mr. Reilly apparently was not invited to the wake—but was buried a long time ago," said John Arlington, senior counsel for federal affairs and policy for the American Insurance Assn. in Washington. Alone among insurer groups, the AIA had supported creation of the EIRF last year, a position that caused dissension within its own ranks.

The AIA has since dropped its support.

"If they are proposing last year's EIRF, we didn't like it last year and we don't like it this year. It was inappropriate then, it is inappropriate now," said Paul Brown, director-government affairs for the Risk & Insurance Management Society Inc., which also had opposed the EIRF.

Meanwhile, Reps. Tom Bliley, R-Va., Mike Oxley, R-Ohio, and Bud Shuster, R-Pa., called for repeal of retroactive liability in a June 20 letter to Rep. Jerry Lewis, R-Calif., who is chairman of the Appropriations Subcommittee on Veterans Affairs, Housing and Urban Development and Independent Agencies.

Rep. Bliley chairs the House Commerce Committee, Rep. Oxley is chairman of the Commerce Subcommittee on Commerce, Trade and Hazardous Materials and Rep. Shuster chairs the House Committee on Transportation and Infrastructure.

According to the three Republican lawmakers, "the system of strict, joint and several and retroactive liability" is "at the heart of the Superfund blame game."

If the program is to be reformed, "then we must comprehensively reform the current Superfund liability system, including a repeal of retroactive liability. In order to do that and still ensure that truly hazardous sites are being cleaned up, we must have the maximum funding possible for fiscal year 1996 and into the future," the congressmen wrote. They then asked Rep. Lewis to include at least $1.5 billion in appropriations for Superfund for the next fiscal year to allow a reform of the program.

"If we cannot achieve the kind of meaningful, comprehensive reform of (Superfund) that all of us believe is necessary—and which prior Congresses have been unable to deliver—this is a program which simply should not be continued. Accordingly, we also ask that you make availability of appropriations for Superfund beyond Dec. 31, 1995, contingent upon enactment of (Superfund's) reauthorization. We believe the program should be terminated if we cannot pass a Superfund reform bill worthy of being signed into law."

Rep. Lewis' office did not return calls last week regarding the letter.

During an all-day hearing on the program's liability system last Thursday, Rep. Oxley repeated his contention that Superfund requires a complete overhaul. "Every aspect of the liability system must be re-examined as if we were writing the law for the first time," he said.

At the same hearing, Rep. Bliley referred to the letter's appeal that Superfund appropriations be cut if there is no significant reform: "There is simply no sense in continuing the folly of the program if we have not made wholesale changes to it by the end of the year."

Superfund had "no greater absurdity" than its system of retroactive, strict and joint and several liability, Rep. Bliley said.

Meanwhile, a study released last week by Superfund Reform '95, a Washington-based insurer/business coalition, said that elimination of retroactive liability for dumping that took place before Jan. 1, 1987—in conjunction with measures to reduce overhead costs of the program—would cut the total costs of Superfund by about $2 billion. These projected savings do not include probable savings from changes in the program's remedy selection system, according to the report, which was prepared by National Strategies Inc., a Washington-based consulting firm.

Retroactive liability is not only unfair but also an extremely expensive way for the federal government to raise $1.5 billion in cleanup funds annually, according to Superfund Reform '95. "To raise that $1.5 billion, the government spent about $400 million in 1994 and the private sector spent about $1 billion for transaction costs—payments for duplicative environmental studies, consultants and litigation," Superfund Reform '95 wrote in its plan to "fix Superfund." BI

Hutter

Continued from page 1

reinsurer, though it has been hit in recent years by rising claims. In April, the parent company increased the U.S. unit's reserves for asbestos and environmental liability losses by $700 million and added $150 million to its capital and surplus.

The U.S. unit wrote $851.2 million in new premiums in 1994 (*BI*, March 27).

Swiss Re America is also trying to sell Western Atlantic Reinsurance Corp., a broker market subsidiary, in order to concentrate on direct reinsurance underwriting (*BI*, April 10).

Acknowledging these issues and commenting on her new post, Ms. Hutter said Friday: "Swiss Re America is going through a process of re-examining its operations in America, and I expect to lead that process."

N. David Thompson will continue as chairman and CEO of Swiss Re America until Ms. Hutter completes her Lloyd's assignment and, thereafter, will serve as chairman and CEO of Swiss Re America Corp., Swiss Re's U.S. holding company. William E. Thiele, president and chief operating officer of the U.S. reinsurer, will continue in that post.

Ms. Hutter's new appointment has surprised the market, as she had been widely expected to become chief executive of Equitas as it reached an operational stage. However, both she and Lloyd's said that her departure will be amicable.

Ms. Hutter said she had contemplated staying at Equitas until she was offered this "great opportunity" by Swiss Re, and an Equitas spokesman said Equitas fully understood why she had accepted this "enormously exciting offer."

Lloyd's Chairman David Rowland said: "Heidi Hutter's skills in project management continue to prove enormously valuable to us. David Newbigging, the chairman-designate of Equitas, has been working to build the main board of the company, including the recruitment of a chief executive. I have no doubt that the work carried out by Heidi Hutter and her team in establishing Equitas as a robustly reserved reinsurance company, has laid a sound foundation for the future."

Swiss Re America is re-examining its operations, 'and I expect to lead that process,' says Heidi Hutter.

It has been agreed by all the parties that Ms. Hutter will see the Equitas project through to the stage when it is actively writing reinsurance for the market.

Equitas, which was initially envisioned to reinsure the market's pre-1986 liabilities, was expanded last month to include all losses up to and including 1992 (*BI*, May 29).

It is expected to supply initial indications of its premium requirements in October and to become an active reinsurer in the spring of 1996—making that the most likely time of Ms. Hutter's departure.

Equitas is to play a pivotal role in Lloyd's recent restructuring plan and its efforts to settle member litigation. However, Lloyd's members do not see her departure adversely affecting the future of Equitas.

Roger Pascall, executive director of the Assn. of Lloyd's Members, said that by the time Ms. Hutter leaves, Equitas will be up and running and "she will have done her job."

Mr. Pascall said the association considers Equitas a success "largely as a result of the effort she's put in."

Mr. Pascall added: "Having launched Equitas, she'll leave it in very capable hands."

Ms. Hutter is a native New Yorker. She graduated with a degree in mathematics in 1979 from Cornell University in Ithaca, N.Y. She joined the actuarial department of North American Re in New York after graduating.

In 1983, Ms. Hutter was largely involved in founding two new units of Swiss Re: Atrium Corp., a brokerage company for financial reinsurance based in New York; and European International Reinsurance Co. Ltd., a financial and finite risk reinsurer based in Barbados.

Updates

Chemical settlement insured

Continued from page 2

its insurers will pay at least $140 million, said Michael J. Baker, a partner in the San Francisco law firm Jackson, Tufts, Cole & Black, which represents General Chemical.

The Parsippany, N.J.-based company has general liability limits of $25 million from National Union Fire Insurance Co. of Pittsburgh, Pa., he said. But, the insurer raised coverage questions and now will pay only $16 million, leaving General Chemical to pay $9 million.

General Chemical has a $75 million excess layer written by X.L. Insurance Co. Ltd. and a $100 million excess layer above that from ACE Ltd., Mr. Baker said. The settlement agreement, reached before a trial date had been set, came nearly two years after the July 1993 accident, which resulted in a sulfuric acid cloud blanketing a wide area.

Maternity care bill passes

TRENTON, N.J.—Health insurers in New Jersey could be required to cover a minimum of two full days of hospital maternity care if Gov. Christine Todd Whitman signs a bill that received unanimous support in both the Assembly and the Senate.

The 48-hour maternity bill would give women the final say, after consultation with a physician, on whether a second day of care is needed after the birth of a child. It also would allow four days of care after Caesarean sections.

Maryland last month passed similar legislation requiring insurers to provide a minimum 48-hour hospital stay.

Pollution exclusion debated

BATON ROUGE, La.—The Louisiana Department of Insurance and Insurance Services Office Inc. are looking for a compromise in the wording of the absolute pollution exclusion in commercial general liability policies.

Louisiana regulators have notified ISO that they will stop approving policies that contain exclusions with the current language and the two sides have held meetings to fashion acceptable wording.

If the two sides don't agree by July 20, ISO has requested more formal hearings with state insurance regulators.

The Louisiana Supreme Court last year ruled that the exclusion does not bar coverage for non-environmental third-party claims as well as some environmental claims arising from unintentional pollution (*BI*, June 13, 1994).

Ford to appeal Bronco verdict

HOUSTON—Ford Motor Co. will appeal a Texas state court jury verdict that hit the company for $25 million in damages in connection with a college student's death when the Bronco II sport utility vehicle she was riding in overturned.

The Dearborn, Mich.-based automaker also argues the punitive damage portion of the judgment—$22.5 million—is improper under Texas law and that any punitive damage award in the case should be no more than $4 million.

"Under Texas law, if you don't find malice, punitive damages are limited to four times compensatory damages," a Ford spokesman said. The state court jury in Houston awarded $2.5 million in compensatory damages, including $750,000 to each of the 21-year-old student's parents and $1 million to the victim's estate. Ford contends the punitive damage award should be based only on the amount awarded to the victim's estate.

The company, which would be "largely self-insured for any award," says the Bronco II is safe and stresses that six previous juries that considered Bronco II injury cases did not find safety defects.

Briefly noted

Citing poor underwriting results and diminished market position, A.M. Best Co. lowered its rating of **Skandia America Group**'s two operating units—Skandia American Reinsurance Corp. and Hudson Insurance Co.—to A- from A. . . .**HCC Insurance Holdings Inc.** began trading on the New York Stock Exchange June 20 under the symbol HCC. . . .The New Jersey Assembly last week voted to approve a package of six **tort reform** bills, one of which would eliminate joint and several liability for parties less than 60% liable and another that would cap punitive damages (*BI*, June 5). . . .The U.S. Supreme Court has declined to review and thus let stand a 1994 federal appeals court decision that said the **Risk Retention Act** did not pre-empt a Florida law requiring taxi and other passenger transportation firms to buy the first $30,000 of liability coverage from insurers that belong to the Florida Insurance Guaranty Assn. (*BI*, Nov. 8, 1994). . . .Sears, Roebuck & Co. on Friday expects to complete the spinoff of its remaining 80.3% stake in **Allstate Corp.** through a tax-free dividend to Sears' common shareholders. Standard & Poor's Corp. will add Allstate to its S&P 500 Index. . . .Mark Boozell, former head of Illinois Gov. Jim Edgar's legislative office, will become **Illinois' new director of insurance** July 1. Acting Director of Insurance James W. Schacht will return to his post as chief deputy director. . . .**Workers comp rates** for Wisconsin employers will drop 11.9% beginning July 1, which will save employers $135 million in insurance premiums in the next 12 months. That is Wisconsin's largest decrease in at least 20 years. . . .Marsh & McLennan Risk Capital Corp. and Smith Barney Shearson Inc. are preparing an **initial public offering for a new reinsurer** to be called Risk Capital Re. The Trident Partnership L.P., of which M&M Risk Capital is a partner, will be an investor in the new reinsurer. Risk Capital Re will invest its own funds in public and private insurer equity offerings, possibly including equities of its ceding company clients, market sources say. M&M Risk Capital officials declined to comment.

For the Record

OSHA fines Illinois recycler $1 million for safety violation

SUMMIT, Ill.—Midwest Metallics L.P., a large auto-scrap recycler, agreed to pay the Occupational Safety and Health Administration a $1 million fine earlier this month for exposing unprotected employees to excessive levels of toxic substances and other hazards.

The Summit, Ill.-based recycler also agreed to make significant improvements at four operating facilities in Joliet, McCook, Argo and Stoney Island, Ill.

The fine stems from an investigation of a fatal accident in December 1994 involving a forklift truck at its Joliet facility, which triggered a follow-up investigation of citations previously issued at the company's McCook facility for failure to conduct initial atmospheric lead monitoring.

"The (follow-up) investigation revealed that employees were exposed to lead at levels as high as 24 times the permissible exposure limit and 10 times the PEL for cadmium," OSHA said in a statement. Employees also were exposed to excessive levels of arsenic.

Midwest Metallics agreed to pay the fine, correct cited hazards and take steps to conduct comprehensive safety and health audits and implement an ongoing safety and health training program at all facilities.

A limited partnership bought the recycling operation two years ago from Pielet Brothers, said John M. Hermanson, U.S. Labor Department assistant regional administrator for federal and state operations.

While many of the hazards identified in the investigation existed before the new owners took over, three employees drowned at the Argo junk yard in two accidents last year.

High workers comp costs spur attention to safety

WHEATON, Ill.—A majority of small-business owners cite the cost of workers compensation insurance as the most important motivation for improving workplace safety, according to a survey by the Insurance Research Council of Wheaton, Ill., and the National Federation of Independent Business Education Foundation of Washington.

Among the reasons the 3,200 small-business owners surveyed mentioned were long-term profitability, doing the "right thing," complying with federal and state regulations, too many accidents and employee morale.

Most business owners—73%—believe that their employees have a strong or somewhat strong commitment to workplace safety, the survey found. Nearly half—46%—said workers have the greatest impact on the frequency of workplace accidents, compared with just 4% who said managers have the most influence. Forty-six percent felt workers and owners equally affect the frequency of accidents in the workplace.

Business owners named safety-related training, providing protective equipment and having a safety committee as the most effective actions taken to increase workplace safety.

A large proportion of those surveyed were unaware of the impact of experience rating on their workers comp insurance costs. More than half of the business owners in the survey either were not experience-rated, did not know, did not answer the question or indicated they were experience-rated but provided an obviously incorrect modification factor.

Copyright law is invoked in suit over policy wording

LAFAYETTE, La.—The use of copyright law to protect the wording of insurance policies is gaining support in the wake of a federal district court decision and a federal regulatory agency's proposed guidelines.

The court case stemmed from B&S Underwriters Inc. of Alexandria, Va., suing a competitor and its parent in January 1993 for infringing on its copyrighted alternative workers compensation policies by virtually copying them. The policies combined a benefit policy written by a life/health company and an employer liability policy written by a property/casualty company (*BI*, Jan. 11, 1993).

According to the suit, B&S shared the two confidential policies and related material with the potential business partners in 1991. B&S alleged that after talks broke off, the two insurers filed policies in Alabama in 1992 that were virtually identical to the managing general agent's packaged policies.

The insurers were Sterling Investors Life Insurance Co. of St. Petersburg, Fla., and its parent, Clarendon National Insurance Co. of New York.

The U.S. District Court in Lafayette, La., issued an order last month upholding the copyrights and dismissing the lawsuit as part of a confidential settlement. The court rejected Sterling's defense that state law governing the business of insurance under the McCarran-Ferguson Act pre-empts federal copyright law.

"This is the first decision specifically recognizing that an insurance policy can be protected with a copyright and that a 'me-too' policy can infringe," said Peter Trzyna, B&S' intellectual property counsel with Keck, Mahin & Cate in Chicago.

This is also the first decision to reject the view that state law under the McCarran-Ferguson Act precludes copyright protection, said B&S' litigation counsel, Richard L. Horn, of Wilson & McIlvaine in Chicago.

Sterling Investors is no longer selling any alternative workers comp policies, said Neil Bates, the company's president and chief executive officer.

More cases of this type are likely, especially since the U.S. Patent and Trademark Office is seeking public comment through July 31 on proposed guidelines its office personnel would use in reviewing patent applications on "computer-implemented inventions," Keck Mahin's Mr. Tryzna said.

Insurance policies and programs typically require the use of a computer and likely would fall under those guidelines, he said.

The deadline for comment to the patent office is July 31.

County association considers forming a captive reinsurer

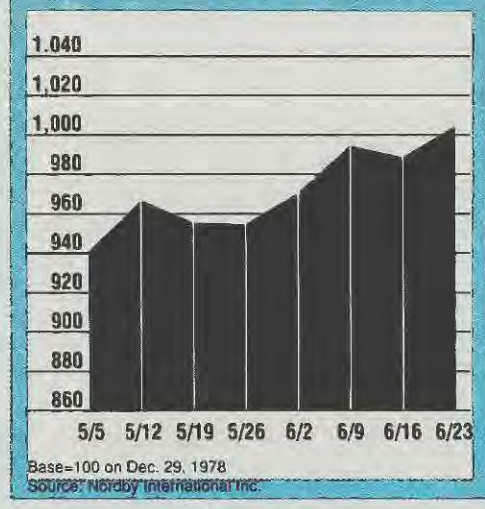
WASHINGTON—The National Council of County Assn. Executives has taken the initial steps to form a reinsurance captive for state pools that insure counties.

The group has agreed to sponsor a feasibility analysis and actuarial study to determine if the captive would be a money-saving venture. The captive would write reinsurance for property, liability and workers compensation risks.

The NCCAE is currently in the process of selecting a firm independent from the insurance and brokerage industries to perform the feasibility study, which they hope to have completed by September.

"They've been talking about forming a captive for three years now," said Steve Swendiman, the managing director of the National Assn. of Counties Financial Services Center in Washington. "They've overcome a big hurdle by agreeing to get the study done." BI

BI Insurance Index



Base=100 on Dec. 29, 1978
Source: Nordby International Inc.

Catastrophe insurance option call spreads

As of June 23

Call spread	Price bid/ask	Rate on line %	Call spread	Price bid/ask	Rate on line %
Eastern September 1995			**Western Annual 1995**		
45/65	6.5/7	31.5/35	20/30	—/—	—/—
50/70	5.9/5.5	29.5/32.5	30/40	0.3/—	3/—
60/80	4/5	20/30	30/50	—/—	—/—
100c	8.5/12	8.5/12	50/70	0.6/—	3/—
150c	4.5/5.5	9/11	60/80	—/—	—/—

Total volume: 25 Total open interest: 2,398

For quotes, call the CBOT trading floor at 312-341-3342. For general information, call 312-435-3674.

Source: Chicago Board of Trade

British Issues

June 22 Companies	Price pence	P/E	Div. pence	Yield %	1 week high—low
Comml Union	608	12.2	33.0	5.4	614—590
Gent Accident	608	8.9	36.3	6.0	623—592
Gdn Royal Exch	206	N/M	10.3	5.0	206—203
Independent	290	8.1	11.9	4.1	290—290
Royal	325	6.1	15.0	4.6	325—320
Sun Alliance	345	11.6	19.7	5.7	345—337
Brokers					
Bradstock	63	7.1	7.1	11.3	63—63
Fenchurch	153	10.7	10.0	6.5	153—152
CE Heath	210	13.2	20.0	9.5	210—210
JIB Group *	127	11.0	9.4	7.4	128—127
Lloyd Thmpson	160	11.1	9.8	6.1	166—160
Lowndes Lmbrt	153	9.0*	10.4*	6.8	153—151
Nelson Hurst	148	11.5	8.3	5.6	148—148
PWS Holdings	17	N/M	0.8	4.7	17—17
Sedgwick Grp	151	13.7	8.1	5.4	151—148
Steel Brl Jones	87	10.2	11.3	13.0	89—87
Willis Corroon	154	N/M	8.3	5.4	157—154

Source: Philip Olsen, London * Estimated 1994 data

BI Industry Stock Report JUNE 19, 1995, THROUGH JUNE 23, 1995

		Price	Weekly % change	Year to date % change	Annual High	Annual Low	Vol.(000)	$ Div.	% Yield	P/E	Book value	Mkt./Bk. value
BROKERS												
Acordia Inc.	NYS	31.63	1.61	-5.60	34.50	24.63	7	0.72	2.28	15	13.24	2.39
Alexander & Alexander	NYS	23.38	-2.60	26.35	26.44	15.63	334	0.10	0.43	-12	6.08	3.84
E.W. Blanch Holdings Inc.	NYS	18.75	-0.66	-9.09	23.00	17.50	39	0.40	2.13	15	4.55	4.12
Gallagher Arthur J. & Co.	NYS	35.88	2.14	12.11	36.38	29.00	49	1.00	2.79	16	6.48	5.54
Hilb, Rogal & Hamilton	NYS	12.75	0.00	5.15	13.13	10.50	90	0.56	4.39	15	4.72	2.70
Marsh & McLennan	NYS	81.25	0.93	2.52	88.38	71.25	428	2.90	3.57	16	19.40	4.19
Poe & Brown	NDQ	23.25	-4.12	6.90	24.25	19.00	13	0.48	2.06	15	4.49	5.18
BROKERS	AVERAGE		-0.4	5.5					2.5	11		
INSURERS/REINSURERS												
ACE Ltd.	NYS	30.63	9.38	31.02	30.63	20.75	1270	0.56	1.83	-14	22.45	1.36
Acceptance Insurance Cos.	NYS	14.25	0.00	-5.00	18.00	12.63	75	0.00	0.00	8	9.83	1.45
AEGON N.V.	NYS	34.38	1.85	35.33	34.63	20.41	25	3.60	10.47	13	43.84	0.78
Aetna Life & Casualty	NYS	63.38	2.42	34.48	63.50	42.25	2518	2.76	4.36	12	57.21	1.11
AFLAC Inc.	NYS	43.75	0.29	36.72	44.75	31.63	477	0.52	1.19	15	57.21	0.76
Allied Group Inc.	NDQ	28.88	-0.43	16.67	31.00	22.00	37	0.68	2.35	6	23.43	1.23
Allmerica Prop. & Casualty	NYS	20.88	-0.60	23.70	21.88	14.25	230	0.16	0.77	9	19.45	1.07
Allstate Corp.	NYS	31.25	4.17	31.58	31.63	22.63	3350	0.78	2.50	11	19.60	1.59
American General	NYS	34.38	-0.72	21.68	35.50	25.63	1301	1.24	3.61	13	20.39	1.69
American Heritage Life Ins.	NYS	20.25	-0.61	6.58	20.50	16.25	27	0.68	3.36	11	12.42	1.63
American Indemnity/Fin'l	NDQ	10.75	2.38	6.17	12.75	10.00	16	0.28	2.60	3	15.92	0.68
American International	NYS	116.63	2.87	19.01	119.50	86.38	2283	0.51	0.44	16	49.75	2.34
American Re Corp.	NYS	39.38	2.94	22.09	39.88	25.25	244	0.32	0.81	16	16.85	2.34
Aon Corp.	NYS	37.38	3.46	16.80	38.00	29.25	679	1.36	3.64	12	21.96	1.70
Argonaut Group	NDQ	31.75	3.25	12.39	31.75	27.00	82	1.32	4.16	11	29.80	1.07
AVEMCO Corp.	NYS	17.13	-2.84	11.38	18.25	13.38	14	0.44	2.57	14	6.30	2.72
Baldwin & Lyons Inc.	NDQ	16.00	-1.54	8.47	17.63	14.00	6	0.32	2.00	12	13.56	1.18
Berkley W.R. Corp.	NDQ	35.63	0.71	-5.00	39.63	32.50	185	0.48	1.35	19	36.47	0.98
Berkshire Hathaway Inc.	NYS	24200.00	8.52	18.63	25200.00	16100.00	1	0.00	0.00	59	9157.79	2.64
Capital RE Corporation	NYS	24.88	-1.00	-9.13	27.38	20.00	30	0.20	0.80	9	21.48	1.16
Capsure Holdings Corp.	NYS	14.00	0.00	-4.27	15.63	12.13	4	0.00	0.00	13	13.72	1.02
Chubb Corp.	NYS	62.38	0.76	6.46	65.25	58.63	894	1.96	2.38	12	48.40	1.70
CIGNA Corp.	NYS	77.88	3.66	22.40	77.88	59.00	1205	3.04	3.90	8	80.98	0.96
CNA Financial Corp.	NYS	86.88	1.46	33.91	86.88	60.00	30	0.00	0.00	21	73.83	1.18
EMC Insurance Group Inc.	NDQ	11.50	2.22	21.05	12.00	8.50	4	0.52	4.52	8	10.77	N.A.
Emphesys Financial Gr. Inc.	NYS	26.13	-4.57	-17.72	39.50	23.50	182	0.60	2.30	7	N.A.	N.A.
EXEL Ltd.	NYS	51.50	0.49	30.38	52.13	36.00	1396	1.32	2.56	14	31.62	1.63
Fremont General Corp.	NYS	24.63	-1.01	5.35	26.13	17.16	168	0.80	3.25	7	22.90	1.08
Frontier Insurance Group	NYS	25.63	-1.44	17.14	37.50	16.75	93	0.48	1.87	19	14.94	1.72
Gainsco Inc.	ASE	10.13	-1.22	22.73	11.00	7.25	55	0.04	0.40	14	3.79	2.67
General RE Corp.	NYS	136.25	3.42	10.32	138.38	104.50	671	1.96	1.44	15	57.17	2.38
Guaranty National Corp.	NYS	18.00	2.13	-2.04	18.50	14.63	55	0.48	2.67	10	11.84	1.52
Harleysville Group	NDQ	24.75	1.54	2.06	26.50	19.75	35	0.68	2.75	10	20.18	1.23
Hartford Steam Boiler	NYS	44.63	1.42	11.91	46.25	35.88	222	2.20	4.93	17	14.62	3.05
HCC Insurance Holdings	NDQ	26.63	-0.47	26.79	27.25	17.75	4	0.00	0.00	16	10.75	2.48
ITT (Hartford Group)	NYS	117.13	1.30	32.16	119.13	77.00	2056	1.98	1.69	15	49.95	2.34
Lincoln National	NYS	45.00	0.56	28.57	46.00	34.63	491	1.72	3.82	14	31.99	1.41
Markel Corp.	NDQ	56.00	0.90	34.94	57.00	39.00	42	0.00	0.00	16	25.15	2.23
Mid Ocean Ltd.	NDQ	30.38	4.74	11.47	30.38	22.25	843	1.00	3.29	9	20.24	1.50
Mutual Risk Mgmt. Ltd.	NYS	33.50	-1.47	27.62	36.38	21.13	89	0.32	0.96	18	9.11	3.68
NAC Re Corp.	NDQ	31.50	3.28	-5.97	35.25	24.25	101	0.20	0.63	15	19.75	1.59
National Re Corp.	NYS	32.38	2.37	23.33	32.38	22.25	84	0.16	0.49	19	17.31	1.87
Navigators Group	NDQ	14.88	-0.83	2.59	19.75	12.75	7	0.00	0.00	-19	10.21	1.46
Nobal Insurance Ltd.	NDQ	10.06	1.26	21.97	10.06	7.63	65	0.20	1.99	4	6.84	1.47
Ohio Casualty Corp.	NDQ	31.56	0.60	11.73	34.25	27.00	390	1.52	4.82	11	24.68	1.28
Old Republic Int'l	NYS	26.00	0.00	22.35	26.38	18.88	602	0.52	2.00	10	24.60	1.06
Orion Capital Corp.	NYS	40.00	1.59	13.48	40.00	28.13	41	0.80	2.00	10	25.86	1.55
Partner Re Ltd.	NDQ	24.88	-0.50	19.88	25.50	18.50	498	0.40	1.61	8	N.A.	N.A.
Penn-America Group Inc.	NDQ	9.19	-0.84	24.58	9.75	6.50	17	0.12	1.31	10	6.21	1.48
Philadelphia Cons. Holding	NDQ	13.88	-2.20	13.27	14.38	9.50	15	0.00	0.00	14	8.43	1.65
Phoenix RE Corp.	NDQ	23.50	0.00	-16.81	29.25	21.00	108	0.60	2.55	4	22.86	1.03
Provident Life	NYS	23.63	-1.56	8.62	29.88	20.50	123	0.72	3.05	10	27.09	0.87
Reliance Group Holdings	NYS	6.38	-1.92	22.89	6.75	4.88	803	0.32	5.02	10	3.48	1.83
Reliastar Financial Corp.	NYS	39.25	2.95	35.34	39.50	27.00	304	1.00	2.55	11	24.81	1.58
RLI Corp.	NYS	22.63	3.78	37.96	22.63	15.91	24	0.52	2.30	11	20.51	1.10
St. Paul Companies	NYS	49.75	1.02	11.17	51.88	38.63	767	1.60	3.22	9	31.88	1.56
SAFECO Corp.	NDQ	59.00	0.96	13.46	59.75	46.75	538	2.12	3.59	12	46.94	1.26
SCOR U.S. Corp.	NYS	9.13	7.35	8.96	12.25	7.50	15	0.20	2.19	16	13.60	0.67
Seibels Bruce Group	NDQ	0.75	-7.69	-70.00	3.50	0.75	23	0.00	0.00	-0	1.05	0.71
Selective Ins. Group	NDQ	33.00	2.33	30.69	33.00	23.25	255	1.12	3.39	11	23.36	1.41
Sphere Drake Holdings	NYS	15.25	-3.17	9.91	16.50	10.75	26	0.16	1.05	8	13.15	1.16
TIG Holdings	NYS	23.75	-2.06	26.67	24.50	17.00	687	0.20	0.84	21	17.25	1.38
Titan Holdings, Inc.	NYS	11.38	7.06	16.67	11.38	7.38	51	0.24	2.11	9	3.31	1.22
Tokio Marine & Fire	NDQ	57.00	1.79	-6.17	65.63	49.88	8	0.44	0.77	-	57.72	0.99
Torchmark Corp.	NYS	39.13	-0.95	13.41	44.50	32.38	580	1.12	2.86	11	17.49	2.24
Transatlantic Holdings	NYS	64.88	0.39	16.11	65.50	47.75	54	0.40	0.62	13	32.43	2.00
Transnational Re Corp.	NDQ	20.25	1.89	-13.83	25.50	18.75	64	0.00	0.00	6	N.A.	N.A.
Travelers Corp.	NYS	44.50	5.95	37.45	45.00	30.38	2623	0.80	1.80	11	24.26	1.83
Trenwick Group Inc.	NDQ	42.50	-2.86	0.29	45.75	36.00	116	1.12	2.64	11	29.20	1.46
United Fire & Casualty	NDQ	28.13	-3.02	1.66	29.81	26.25	3	0.80	2.84	8	28.96	0.97
Unitrin	NDQ	49.75	2.05	15.70	51.50	38.50	214	2.00	4.02	15	38.64	1.29
UNUM Corp.	NYS	47.88	2.68	26.82	50.00	35.13	787	1.06	2.21	25	27.78	1.72
US Facilities Corp.	NDQ	16.00	1.59	60.00	16.13	9.13	157	0.20	1.25	11	11.07	1.45
USF&G Corp.	NYS	16.38	1.55	21.30	17.25	12.13	1541	0.20	1.22	7	10.04	1.63
USLIFE Corp.	NYS	41.13	4.11	17.92	41.13	30.88	134	1.32	3.21	10	40.82	1.01
Washington National	NYS	20.63	-0.60	8.55	22.88	17.75	229	1.08	5.24	8	23.61	0.87
Zenith National Ins.	NYS	21.50	-1.71	-5.49	27.38	19.38	30	1.00	4.65	11	17.54	1.23
Zurich Reinsurance Centr.	NYS	29.00	-0.43	0.43	30.88	25.00	47	0.00	0.00	-40	22.26	1.30
INSURERS/REINSURERS	AVERAGE		0.9	14.9					2.3	11.4		
HEALTH MAINTENANCE ORGANIZATIONS												
FHP International	NDQ	24.25	0.00	-5.83	31.00	19.50	2906	0.00	0.00	13	12.22	1.98
Humana Inc.	NYS	19.38	-2.52	-14.36	27.13	15.88	10417	0.00	0.00	16	6.04	3.21
Pacificare Health Sys.	NDQ	57.50	-14.50	-11.71	79.50	44.25	1531	0.00	0.00	18	14.21	4.05
Safeguard Health Enter.	NDQ	10.50	-2.33	13.51	14.25	8.25	16	0.00	0.00	70	6.16	1.70
Sierra Health Services	NYS	26.25	0.96	-17.00	33.63	21.25	535	0.00	0.00	15	6.04	4.35
UnitedHealthcare Corp.	NYS	43.00	7.50	-4.71	55.38	34.13	9879	0.03	0.07	25	6.57	6.54
U.S. Healthcare	NDQ	33.75	0.75	-18.18	49.00	26.50	9250	1.00	2.96	14	5.04	6.70
Wellpoint Health Networks	NYS	29.38	-2.49	0.86	39.00	24.25	450	0.00	0.00	14	12.73	2.31
HMOs	AVERAGE		-1.6	-7.2					0.3	20		
ALL COMPANIES	AVERAGE		-0.4	4.4					2.4	14		

Top advancing issues: ACE Ltd., Berkshire Hathaway Inc., SCOR U.S. Corp. Leading decliners: PacifiCare Health Systems, Seibels Bruce Group, Emphesys Financial Group Inc. Most active issue: Humana Inc. The BI Index rose 1.6%; the Dow Jones 30 Industrials rose 1.6%; the S&P 500 increased 1.8% and the NYSE Composite gained 1.5%.

System design: Nordby International Inc.

VIRTUAL RELIANCE

Vision...

Experience...

Solution...

Specialty Coverages Include:

- Telecommunications
- Aviation
- Professional Liability
- Environmental
- Engineered Risk
- Entertainment
- Employment Practices Liability
- Boiler & Machinery
- Health Care
- Construction

Embark into your future with...
THE CHOICE, Reliance National.



THE CHOICE

Reliance National

A Reliance Group Holdings Company

77 Water Street, New York, N.Y. 10005

For further information
write us or call (212) 858-6602

Reliance National products and programs underwritten by Reliance Insurance Company, Reliance National Indemnity Company, Reliance National Insurance Company, Reliance National Insurance Company of New York, Reliance Insurance Company of Illinois, Reliance Insurance Company of California, United Pacific Insurance Company, Firemark Insurance Company and/or Reliance Surety Company.

© 1994 Reliance National Insurance Company.