

# Getting Sick is Expensive

By Reg P. Wydeven  
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It seems that these days everyone is freaking out about the astronomically high cost of health insurance. Since I became a partner at our law firm, I now pay for my own health insurance and I contribute to all of our employees' health insurance premiums. Therefore, I'm constantly handing out vitamin C tablets and Purell to our staff to keep them from getting sick. In fact, we're even sponsoring a 'Shoo the Flu' clinic in our office where all of our employees get free flu shots.

It seems that I'm not the only one looking for ways to maintain a healthy workforce. A recently leaked internal memo sent to Wal-Mart's board of directors proposes numerous ways to decrease the retailing giant's health care budget.

M. Susan Chambers, Wal-Mart's executive vice president of benefits, penned the memo containing several cost-saving measures with the additional goal of minimizing damage to Wal-Mart's already thrifty reputation.

Some of the ways Chambers proposed to save on health care costs would be to hire more part-time employees who would not be eligible for benefits and to discourage 'unhealthy' people from applying for jobs at Wal-Mart. Based on the theory that most of these unhealthy people are older, Chambers also recommended attracting younger job applicants by reducing retirement benefits, such as 401(k) contributions, in favor of providing education benefits.

Further, the memo points out that while employees with seven years' seniority cost Wal-Mart more with wages and benefits than employees that have only worked one year, they are no more productive than their less experienced co-workers. To discourage healthier applicants, Chambers suggested a mandate that all positions require some physical activity, such as retrieving carts or re-stocking shelves.

The memo was generated in response to the huge amount of money Wal-Mart spends on health care benefits. In 2001, Wal-Mart spent \$2.8 billion on benefits, while in 2004 that number swelled to \$4.2 billion. Chambers' plan, if implemented, would save Wal-Mart more than \$1 billion a year by 2011.

Obviously, the biggest reason for the huge jump in health insurance premiums is attributable to the rapidly growing costs of health care. For example, Virginia Mason Medical Center charged Lori Mill \$1,133 to run some tests and clip her toenail. As part of this fee, Mill was charged \$418 for "miscellaneous hospital charges" because she had the work done at Virginia Mason's downtown complex rather than at one of the medical center's satellite clinics. Virginia Mason explained that the downtown operation is authorized by Medicare to charge higher fees because it is licensed as a hospital, and such charges are standard industry practice.

Mill sued Virginia Mason and her lawsuit has been turned into a class action suit, meaning any other Virginia Mason patients can join the suit if they feel they have been overbilled and their charges were unfair or deceptive.

Mill has bolstered her case by obtaining internal emails evidencing Virginia Mason's own doctors and staff complaining about charges. One doctor had a procedure done on his own toe at the downtown complex and complained about being billed \$1,200, including a 'facilities' charge of \$1,138. Another doctor complained after one of his patients was billed for \$1,361, including another \$754 'facilities' fee.

Looks like I should be handing out a manicure set in addition to vitamin C and Purell.

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