**Fixing the Health Care Plan Case Study**

You are the Vice President of Compensation & Benefits for Wolfman Enterprises, a large, high-technology products manufacturer that employs approximately 65,000 in the United States.

You have just learned that health insurance premiums for the following fiscal year were expected to increase approximately 26%, up dramatically from the 16% increase of the previous year and the 14% increase the year before that.  Adding to your concern is the projection that, by 2015, the company’s $375 million annual health-care bill would increase to a staggering $613 million.

You have been asked by Wolfman’s top management to develop a custom-designed health insurance program for the organization that would hold down health-care premium costs to a reasonable level while ensuring that employees would retain adequate health care coverage.

The current health care plan is relatively traditional.  The company pays the entire health care premium for single employees (approximately $480 per month); dependent coverage is available, but the employee pays the entire cost of this coverage.

There is a $250 deductible, and no preferred provider network.  Once the employee’s deductible is met, the policy pays 80% of all covered expenses up to $5,000.  Once the $5,000 threshold is met, the policy then pays 100% of covered expenses up to a lifetime maximum of $2,000,000 per person.  Thus, each employee has an annual out-of-pocket maximum of $1,250.

Preventive care (an annual physical, routine Pap smears and annual mammograms for women, and PSA for men) are covered at 100% with no deductible.  Employees also have a prescription drug benefit.  After payment of a $100 annual deductible (per person), generic prescription drugs are available with a $10 copay; brand-name prescription drugs are available with a $25 copay.

Top management has asked you to provide them with a preliminary list of ideas to be considered, and how you believe employees would accept these changes, because the company is concerned about employee retention and does not want to lose valued employees.

Based upon the material presented in the textbook and your outside research, prepare a report that addresses what health care initiatives Wolfman might undertake in order to deal with the rapidly escalating health care costs.  Make certain that you consider the effects the initiatives would have on the employees and their acceptance of the changes.

You should use a minimum of two (2) outside sources in this paper.  Please be sure to appropriately cite all sources using APA formatting.

Your assignment should be 3-4 pages long, double-spaced, using 12-point font, excluding cover page, attachments, etc.   
  
Keep in mind that, while there is no one single "absolutely correct" approach to this problem, this is not an opportunity for opinion alone.  Grading will reflect your reasoning and critical thinking skills, your ability to integrate what you have assimilated from course material, the clarity of your response and its appearance.  Please see the rubric posted under the "Resources" tab in the main menu of the course for additional guidelines on grading.