

Healthy Business, the newsletter for Southern Cross Health Society business clients.



## CEO Peter Tynan explains the Affordable Healthcare Bill

### The Affordable Healthcare Bill – what do you need to know?

Parliament is preparing to debate the **Affordable Healthcare Bill**. I wanted you to be aware of the Bill's benefits and give you information should you wish to support it.

The Bill aims to reduce the burden on the public health system. It proposes changes that will help more people gain (and maintain) access to private healthcare, including those aged 65 and over, employers, employees, and migrants who are parents of New Zealand residents.

As a not-for-profit health insurer, we support any initiative that affords more New Zealanders the best possible quality of life.

#### **Fringe Benefit Tax (FBT) changes**

The Bill proposes that fringe benefit tax (FBT) is removed from health insurance to incentivise employers to include it in a salary package.

As you'll know, employers are currently penalised with additional tax payments via FBT for looking after the wellbeing of their employees and contributing to a healthier workforce.

Research shows that if FBT on health insurance were removed, more employers would provide this benefit. The removal of FBT on health insurance would then align with the current tax treatment of accident insurance (ACC) - which has no FBT applied.

For the same reason it's important to get those with injuries back to work promptly, it's equally important

that those with illness should receive prompt medical treatment. This doesn't happen with public waiting lists.

The Affordable Healthcare Bill makes economic sense because:

- a faster return to work from illness results in higher productivity and savings for businesses
- there will be direct savings to the public health system.

What else does the Affordable Healthcare Bill propose?

1. That the Government provides people over 65 with a 25% health insurance premium rebate, up to the value of \$500 a year.
2. That parent category migrants are required to have health insurance when they arrive in New Zealand, and maintain it for 10 years.

#### **Have your say**

To further this Bill through Parliament, it needs to be voted on by MPs. It makes a real difference when individuals contact elected representatives – so if this is something you'd like to see become law, we encourage you to email Minister of Health Hon Dr Jonathan Coleman at [jonathan.coleman@parliament.govt.nz](mailto:jonathan.coleman@parliament.govt.nz) and your local MP by visiting [parliament.nz/en-nz/mpp/mps/current](http://parliament.nz/en-nz/mpp/mps/current).

### More information

#### **65 plus**

Currently over a third of public health spending is for people aged 65 and over. As the population ages and there are proportionally more elderly, costs will continue to rise.

This age group however, have reduced disposable income, and many find health insurance cover beyond their budget – at the time when they need access to the widest possible range of healthcare services.

Those with health insurance rely heavily on it to access treatments to help keep fit and active. Taking this level of personal responsibility also means savings for the public health system.

Helping ageing New Zealanders makes sense economically.

#### **Parent category migrants**

A policy that is common place in other countries, this change would provide the more than 5,000 parent migrants entering New Zealand each year a good healthcare pathway at a time in their lives when they need it most.



Hosts Miriama Kamo and Michael Van de Elzen

## Kiwi Living

Southern Cross has partnered with TVNZ on a new show called Kiwi Living, airing every Friday night at 7:30 on TV ONE.

Hosted by Miriama Kamo and chef Michael Van de Elzen, the show is a fun and informative mix of lifestyle and entertainment television, bringing viewers the best of New Zealand's food, travel, living spaces, health and well-being, fashion and the outdoors.

Each episode, Miriama and Michael share segments and practical tips inspiring New Zealanders to kick-start their weekends and try something new.

Kiwi Living co-host and Health and Fitness Consultant, Lee-Anne Wann will take viewers through a range of challenges over the next 16 weeks, including exercise and nutrition – all designed to get them started on pathway to a healthier life!

Miriama and Michael are also joined by a range of New Zealand personalities who cover exciting topics from New Zealand travel and inspirational homes, to living spaces, interior design and gardening stories.

Southern Cross is the series' primary sponsor as we have a particular interest in the health segments of the show and in helping Kiwis to improve their general well-being.

Aimee Bourke, Head of Group Communications, says 'We have proud Kiwi origins and this show provides Southern Cross the opportunity to sponsor relevant content with the aim of improving the health of New Zealanders.'

### Sign up and be in to win!

Encourage your employees to sign up to the Southern Cross 'get out there' challenges and they'll receive weekly health and fitness tips to keep motivated. Everyone who signs up for the challenges goes into the draw to win weekly prizes of Fitbits. They can sign up at [southerncrosschallenge.co.nz](http://southerncrosschallenge.co.nz).

## Annual report 2015

To read Southern Cross' full 2015 annual report go to [southerncross.co.nz/about-the-group/annual-reports](http://southerncross.co.nz/about-the-group/annual-reports).

### Highlights

**811,462** members

**61%** of the health insurance market; that's nearly **1 in 5** New Zealanders.



For every dollar you paid to us in premiums we paid out an **industry leading 90.2 cents in claims.**



We pay **73%** of the country's health insurance claims.



**Affiliated Providers**  
1,266 healthcare providers across 20 specialties accounting for around **45%** of all claims costs.

### Southern Cross' ACC review service

Financial year	Members assisted	Amount recovered
2010/2011	355	\$3.7m
2011/2012	438	\$4.5m
2012/2013	394	\$3.8m
2013/2014	319	\$4.5m
2014/2015	294	\$4.8m



### Top 5 claims by cost

<b>1</b>	Hip replacement	<b>\$38,505,600</b>
<b>2</b>	Knee replacement	<b>\$36,870,600</b>
<b>3</b>	Colonoscopy	<b>\$31,137,300</b>
<b>4</b>	Skin procedure	<b>\$28,399,200</b>
<b>5</b>	Cataracts	<b>\$26,046,000</b>



## Case study: A partnership with benefits

The partnership of Unison Networks and Southern Cross includes a conversation that's not about health insurance.

Based in Hastings, Unison runs the electricity network serving Hawke's Bay, Taupo and Rotorua. As a committed employer of choice, the company established a health and wellness programme to enhance employee engagement, and has now become a values-driven organisation. Southern Cross has been there from the start, offering health insurance to Unison employees and now, making a contribution to the company's new strategic direction.

*"Switched On To Health' had an immediate impact, we received very positive feedback and our 2010 survey showed a 7% rise in staff wellbeing."*

– HR Manager Michelle Lyes

### Stepping things up a notch

Southern Cross's relationship with Unison started with a voluntary work insurance scheme. In 2008, Unison launched its 'Switched On To Health' wellbeing programme.

"We knew that to attract and retain good people we needed an appealing employment package," says HR Manager Michelle Lyes. "So we decided to offer fully subsidised health insurance."

All staff are now on Southern Cross's Wellbeing One plan, covering surgical treatment, related expenses and cancer care. Family members can also sign up at a discounted rate.

"Switched On To Health' had an immediate impact," says Michelle. "We received very positive feedback, and our 2010 survey showed a 7% rise in staff wellbeing."

The programme has since expanded to include free flu vaccinations and health checks, and subsidies for health services and gym memberships. Unison has a Wellbeing Committee, which organises regular initiatives, including sun awareness, nutrition, and men's and women's health.

Employee engagement continues to improve, with a 4.5% increase between 2011 and 2013. Unison's staff retention rate is well above the national and industry average, with significant reductions in workplace injuries.

### A rewarding partnership

Michelle Lyes says the relationship with Southern Cross was successful from the start.

"People get the surgery they need quickly," she says. "It gives them peace of mind, and they feel valued and supported. We benefit from having them back at work after prompt treatment."

Michelle praises Southern Cross's service. "We don't have to worry about a thing," she says. "We have an account manager

who visits regularly and introduces new employees to the plan, which saves us a lot of work."

### Sharing ideas and expertise

The partnership took a new direction in 2013, when Unison looked at becoming a values-based organisation.

"We made progress, but we wanted to move from good to great," says Michelle.

"I knew that Southern Cross had successfully introduced values into their organisation, and they generously offered to share their experience."

"We were happy to help," says Craig Wagstaff, Southern Cross's National Sales Manager – Corporate Sales. "Unison is a valued business partner, and we wanted to give something back, on a very practical level."

More than a year later, the two organisations continue to touch base. "They check in regularly to see how we're doing and offer advice," says Michelle. "It's another example of the support that Southern Cross has given us. It's a very positive relationship, one that we truly appreciate."

To find out how a health or wellness programme could help your organisation, call 0800 323 555 or email [healthybusiness@southerncross.co.nz](mailto:healthybusiness@southerncross.co.nz).

To read more case studies visit [southerncross.co.nz/business-case-studies](http://southerncross.co.nz/business-case-studies)

If you think your business is a good case study or if you have any feedback, we'd love to hear from you.



Email us at [healthybusiness@southerncross.co.nz](mailto:healthybusiness@southerncross.co.nz)

## My Southern Cross

### Making insurance easier

Gone are the days of filling in and posting forms when making an insurance claim thanks to My Southern Cross – our online service that makes managing your health insurance faster, easier and trackable.

- ✓ Claim online
- ✓ Apply for prior approval
- ✓ View your balance
- ✓ Turn off paper
- ✓ Update your details
- ✓ Set up or change a direct debit

### Signing up is easy

To register, go to [mysoutherncross.co.nz](http://mysoutherncross.co.nz).

### What you need

- Your Member card number or Policy/Membership number
- An email address or phone number that matches our records.



## Changing the world, one step at a time

### The power of fitness trackers in the work place...

Using competition to promote fitness is not a new idea. Gyms thrive on a sense of rivalry – driving people to stay longer, run faster, lift more, and be the best. Fitness trackers, the latest exercise trend, take that sense of competition a step further and pit users against, well, themselves.

#### What is a fitness tracker and what can they do?

One of the first well-known trackers was the Fitbit, a wristband that tracks exercise, food, weight, sleep and steps, letting the user know when they've reached certain milestones – 10,000 steps is usually set as a daily goal.

Some devices just track steps, calories and distance, while others track practically everything – right down to your sleep patterns and heart rate. But they're all designed to measure activity, monitor patterns, and ultimately change habits. They also let users share their progress on social media – adding another element of competition. They can make a real difference to your health, especially when they're linked with a healthy eating app.

#### Fitness trackers in the workplace

In fact, many workplaces – including Southern Cross – now use fitness trackers to promote health and wellbeing for their staff. Staff upload their data to a company profile through an app. The collective data can be used in lots of different ways – to push friendly competition between teams, to look at trends, and even to see how seasons and events change exercise patterns.

As a group, the Southern Cross team has 'walked to the moon'. That's a lot of steps. The trackers are used for friendly team challenges and to encourage healthy choices – like using the stairs instead of the lift, or walking to that meeting rather than driving. It's about promoting healthy habits, not trying to change people all at once.

Combining technology, social media, competition, and our endless quest for better health, fitness trackers are a unique and powerful health promotion tool. No wonder everyone's wearing one.

If you are considering using fitness trackers in your workplace and want to know more about it, email [healthybusiness@southerncross.co.nz](mailto:healthybusiness@southerncross.co.nz) for tips and information.

## Kiwis underestimate the cost of healthcare

Most of us are pretty savvy when it comes to big-ticket items – but what are we like when it comes to healthcare?

When planning for unexpected medical costs, many of us take a "fingers crossed" approach. That's understandable – our excellent public healthcare system mostly does a great job. But it's under constant pressure and can only do so much.

#### Assumed costs vs actual costs

Southern Cross research carried out by TNS in 2014 found that:

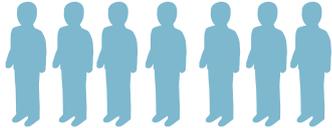
53% estimated the cost of open heart surgery at below \$10,000 (reality: \$35,000 – \$57,000)

57% estimated the cost of a knee replacement at below \$10,000 (reality: \$15,300 – \$27,000)

52% estimated the cost of skin lesion removal at below \$500 (reality: \$500 – \$6,000)



Respondents were asked what they would do if they required elective surgery costing \$20,000

63% 

said they would go on a public waiting list

9% 

said they would pay for it through personal savings

22% 

said their health insurance would cover it



4% 

would borrow money from family

This is a worry – the public system won't be able to support future demand, people aren't planning for health costs as they age, and the uninsured may languish on a waiting list, costing the economy in lost productivity.