

# "NEWS BRIEFS"

## Christy Bernard Named Director of Human Resources Consulting

**C**hristy Bernard of Cheshire was recently named Director of Human Resources of Group Benefit Administrators of Connecticut, Inc. (GBAC), located in North Haven. She is responsible for all human resources services offerings to clients, including the implementation and support of GBAC's Human Resource Information System (HRIS).

Prior to her current position, Bernard was director of human resources at HARCO, a mid-sized aerospace manufacturing company. While at HARCO, Bernard directed all human resources, safety and security. She has over eight years of human resources management experience in California and Connecticut.

Bernard heads up GBAC's Human Resource Consulting Department, which expands the firm's offerings to serve the growing needs of its clients and the marketplace. GBAC has developed an outstanding reputation for delivering prompt, professional service in the employee benefits arena.

Bernard is a graduate of the University of Georgia and earned her masters degree from Albertus Magnus College.

She has also completed a human resources management certification program at UCLA. Bernard is an active member of the national Society for Human Resources Management and a chapter member for both New Haven and Hartford Counties.

GBAC has more than 100 years of combined experience in the employer health insurance benefit market. The firm has a portfolio of top rated companies with whom it is affiliated and capable of bringing to clients a wide variety of employee benefits, products and services.

GBAC offers its clientele risk management solutions that bring value to the benefits being provided. As trusted advisors, GBAC's professionals work with employers to manage and solve benefit problems.

For many clients, GBAC serves as an extension of the human resource department and overall benefits management. GBAC provides employers with claim administration, benefits planning and design, rate negotiations, utilization monitoring, full COBRA administration and the coordination of cafeteria plans and consumer-directed healthcare programs.



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# Newsletter



## Why Companies of All Sizes Really Need Human Resources

By Christy Bernard, Director of Human Resources Consulting



**H**uman Resource mistakes result in lost time, employee dishonesty, fines from state and federal agencies and the costs and time involved in defending against litigation. Companies with limited or no in-house human resources support have managers or CEOs who spend too much time involved in employee issues. When there is a lack of human resources structure, the employee related decisions are often inconsistent and are not representative of the company's strategic goals.

Without a thorough understanding of the difference between an independent contractor and an employee you are likely to misclassify your workers. Misclassifying a worker as an independent contractor as opposed to an employee can get you into trouble when your laid-off independent contractor attempts to file for unemployment and is told that unemployment is typically only for ex-employees.

The state unemployment offices are working with the IRS to make sure employers are classifying their workers

properly and paying the proper employer paid taxes for all of their employees. Misclassifying your workers result in back taxes as well as government fines that can grow to over \$100,000 depending on the length of term of the misclassification and the fines imposed.

Effective employee recruitment practices include determining if the candidate will fit into the organization and how well suited the employee is for the job that is currently available. Employee selection must be focused on where the company is going and where the employee is going in his/her career. Recruiting must look at current company needs as well as the future needs of the company. Once you have chosen the right candidate for the position and for the company, it is critical to check references prior to extending an offer of employment and conducting a background check and pre-employment drug test prior to any new hire starting. According to a major screening services company approximately 8% of job applicants have a criminal record, 3% test positive for illegal drugs and 26% have discrepancies in the prior employment information contained in their application and resume. According to the U.S. Chamber of Commerce approximately 30% of business failures are the result of employee theft and related forms of dishonesty. Hiring an illegal alien can result in fines from the Department of

Homeland Security ranging from \$250 per offense to \$10,000. The simple act of running a social security check on your new hire will eliminate this risk. A social security check will verify that the name and number on the new hire's social security card match the records at the social security administration.

Employer's who hire based on whether the candidate will fit into the organization see lower turnover rates and higher productivity than employers who hire based only on a candidates experience. Reduced turnover rates and higher levels of employee productivity translate into higher revenue and higher profit growth. Turnover costs can range from \$10,000 to over \$100,000 when you factor in the costs and time associated with finding the right candidate, training the candidate, relocating the candidate if necessary, new hire orientation, and the amount of time it takes a new hire to get up to speed, often referred to as his/her learning curve. New hires take an average of 3 to 9 months until they feel comfortable and confident in their new position. Every time you replace a worker, there is disruption in the workforce of your other employees who have been working on projects with the person who left. These employees then have to get the new hire up to speed with the project which

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## Helpful Tips for Individuals with Health Savings Accounts

By Susan Miles and Jeff Torello, Sales Professionals



**N**eed help getting through the administrative nightmare of processing claims, and paying out bills? Some consumers find it difficult to maneuver through the HSA quagmire. The year 2007 brings some new technology and upgraded systems that promise to ease the pain. Here are a few helpful hints from the experts at GBAC.

1.) Please be sure to show your health care provider, your health insurance carrier's ID card at the onset of the visit. This will insure that the claim is properly submitted and that all applicable charges are credited towards the plan deductible.

2.) If a provider requests payment at the time of the visit but your HSA account has not been set up or lacks the necessary funds use an alternate method of payment, i.e. personal check, credit card, one that may earn points or miles. At a later date, simply

reimburse yourself back from your HSA account. Therefore we recommend you purchase at least one packet of checks for this purpose.

3.) Many providers will not request payment at the time of the visit, but will bill the patient at a later date. Don't be so anxious to pay the bill without first checking the corresponding "Explanation of Benefit" (EOB) sent by the health insurance carrier. This will ensure that you are not over paying the provider or paying for charges that were not actually incurred. Many of the insurance carriers now have websites that insured's can access to view their personal claims history. Furthermore, a new added benefit is the posting of the provider's average discounted fees that can be viewed prior to the actual office visit. The cost estimator will give you an approximate idea of the cost of a doctor's office visit or if a particular test is needed.

4.) In 2007, filling your prescriptions either mail order or at a local pharmacy has become much easier. The health insurance carrier and the corresponding Pharmacy Benefit Management (PBM) will now know if you have met your plan deductible and if you have they will not ask for any payment. In the past individuals would continue to pay for prescriptions even after meeting their deductible. The insured would then be reimbursed by check from the health insurance carrier. It was a cumbersome process that burdened the insured with added financial distress. The new upgraded Pharmacy Benefit Management (PBM) system will alleviate this burden.

These are just a few suggestions that will make the transition from the traditional HMO plans to the Consumer Driven Health Plans, specifically the HDHP with an HSA, a little smoother.

## Why Companies of All Sizes Really Need Human Resources (continued from page 1)

takes time away from reaching the project's end goal. This can delay a project which can result in unhappy customers and loss of business if the project team is unable to get back on track and meet the customer's timeline.

In addition, high levels of turnover can leave a bad taste in your customer's mouth. Customers who call regarding a project to find out that their contact has been replaced without being notified will be upset and your organization will look unprofessional. A customer should never find out about an employee change by accident; new hires must be introduced formally both internally and externally to all employees and customers he/she will be working with as part of the new hire orientation and training process.

According to SHRM's 2006 Benefits Survey Report, automated benefits enrollment and management is one of the top trends in human resources. Web-based Human Resource Information Systems which include an online benefits enrollment system improves communication, eliminates errors and saves money. GBAC's HRIS was designed with the employer and the employee in mind. Our HRIS gives employers a valuable tool by providing you with a single location to track and manage employee information, a central location to store company policies, forms and directories, a web-based benefits enrollment tool that eliminates errors on benefits applications and a comprehensive reporting center.

The employee module of the HRIS presents employees with a secure place to view all of their employment related information including compensation information, emergency contact information, online benefits enrollment, search the company directory, have secure

communication with members of management and much more. Providing employees with their own place to view their personal benefits and the company's policies and forms is a higher level benefit that attracts a higher caliber candidate. The custom employee pages eliminate employee confusion regarding which benefits the employee is enrolled in, who is covered and when the employee is due for his/her review, to name just a few.

*Companies that empower employees with greater involvement and self-management experience higher revenue and profit-levels than organizations that exercise micro-management.*

Employee motivation is key to a successful organization. Motivating employees by creating a family-like environment results in higher revenue and profit growth and lower turnover than organizations who emphasize individual monetary incentives. Performance management is essential in keeping your employees motivated. All employees must be aligned with the business objectives and organizational goals in order to get the greatest amount of productivity from your workers. Feedback and goal setting are essential ways to

ensure that your employees' goals are on track with the company's goals.

GBAC offers clients a complete pack-

age of Human Resource Solutions including medical, dental and ancillary insurances, COBRA administration, an Employee Assistance Program, HSA, FSA and HRA administration, and a fully customizable Human Resource Information System including online benefits enrollment with an employee self-service center available 24 x 7 x 365. Our Human Resource Consulting division offers various HR policies, procedures and forms including custom employee handbook, safety and health manual, application form, all-in-one labor law compliance posters, background checks, phone & email answers to your human resource questions, OSHA compliant Safety and Health Manual specific for your industry, leave of absence administration, workers compensation administration, Wellness Newsletter, I-9 Audit and compliance assistance. By taking advantage of a strategic partnership with GBAC you will enjoy investing your time and energies on core business activities and improve your bottom line. For more information, visit us online at [www.gbac.com](http://www.gbac.com).

Visit our newly designed website at: [www.gbac.com](http://www.gbac.com)

### GBAC Services

Managed Care Programs

Risk Management

Carrier/Vendor Analysis

Self-Funded Group Medical and Dental Plans

Re-Insurance Protection

Section 125 Cafeteria Plan Administration

Full COBRA Administration

ERISA Attorney (Compliance & Education)

Employee Assistance Programs (EAP)

Customized Human Resource Information System (HRIS)

Part-time/Seasonal Employee Programs

Consumer-Directed Healthcare (CDHC) Administration

Flexible Spending Accounts (FSA)

Health Reimbursement Arrangements (HRA)

Health Savings Accounts (HSA)

### GBAC Products

Group

Medical

Dental

Life Disability

Vision

Long Term Care

Individual

Medical

Dental

Disability

Medicare Programs

Short Term Care

Long Term Care

### Seminar for FSAs, HRAs and HSAs

*"The Role of Consumerism in Healthcare Today"*

**Tuesday, March 6, 2007  
8:00 am to 10:00 am  
The Omni Hotel  
New Haven, CT**

**For more information,  
please call:  
203-239-3843**