

# The View from Level VII™

## HUMAN RESOURCES

### *Reform Needed to Medicaid*

I recently read some statistics that indicated that New York State spends more on Medicaid than Texas and California combined. The statistics also indicated that New York State spends more on Medicaid than any other state, and spends more on Medicaid than 40 other states spend on their entire state budgets.

Meanwhile, on the county level, Medicaid is being funded by our property taxes. As the Medicaid expense continues to rise, so will our property taxes. If you're a business that pays property taxes you will no doubt pass this increased cost back on to the consumer in the form of increased prices. Therefore we are all feeling this impact twice. Every time the cost of the Medicaid program causes our property taxes to increase, businesses and individuals alike end up paying not only the higher property taxes but also the increase in the cost of goods and services.

New York State must remove this Medicaid burden from the individual counties and assume responsibility for the program, and this is just the first step. Medicaid recipients receive much richer medical benefits than those of us who are struggling to pay the ever escalating premiums for our own medical insurance and that of our employees. There are many lists on which New York State would like to appear as number one. But having the highest expense for Medicaid should not be one of them.

Click here to let your voice be heard [http://www.thepartnership.org/eventsandnews/mcicaid\\_petition.php](http://www.thepartnership.org/eventsandnews/mcicaid_petition.php)

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## FAMILY OFFICE

### *The Platinum Quarterback*

Harman & Associates recently initiated an ancillary business, **Platinum Quarterback Services, LLC**. Senior Partner Ray Harman and Partner Bill Kuffner created and launched the firm to offer an exceptional level of services to a small number of individuals and families of wealth. Our tailor-made proactive services and solutions are designed and offered especially for a few select clients and appeal to those who wish to re-allocate more of their time to their chosen priorities; such as their families, religious organizations, special interests, philanthropic activities and/or leisure activities. Our services also appeal to individuals and family members who, for a variety of reasons, may decide that the time has come to delegate the administration and coordination of complex issues to a quarterback who is uniquely focused on their situation.

At **Platinum Quarterback Services, LLC** we add significant value by interacting collaboratively in a project management and administrative capacity with the client's trusted advisors, individually or collectively – his/her attorney, CPA, financial & estate planner, investment & insurance professional, trustee, banker, etc. – to seek optimal solutions that achieve the client's goals and objectives.

Serving as the client's personal quarterback, our exceptional level of service focuses entirely on the client and his/her family. Consistent with this theme, we are independent and objective professionals who bring a wide range of experiences that enhance the overall process of serving the client. The client is in control, all solutions and/or responses are presented to the client for review and decision, before actions are taken.

**Platinum Quarterback Services, LLC** is an elite, personal Family Office service available to only a small number of clients. “At **Platinum Quarterback Services, LLC**, we make it a lot easier for you”.

Our offices are located at City Centre, 610 Main Street, Suite 200, Buffalo, NY 14202-1900. Our phone number is 716-852-0693 and fax number is 716-847-6475.

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*In this and/or future issues you will find short, yet meaningful articles on:*

- Human Resources
- Risk Management
- Executive Compensation
- Executive Benefits
- Employee Benefits
- Private Wealth Planning



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## EMPLOYEE BENEFITS

### *“Lifestage” Dental Benefits*

Lifestage dental benefits programs are becoming more popular as a response to the rising costs of dental services. They normally provide “High Option” (more expensive) benefits along with “Low Option” (less expensive) benefits. While an employee can choose either plan; High Option benefits are generally designed for older employees, and Low Option benefits are normally designed for younger employees. These plans can deliver better value for both groups, since employee contributions are closely related to the anticipated utilization of benefits.

- Special enrollment and re-enrollment guidelines are used to prevent inappropriate movement between plan options.
- Orthodontic benefits are normally included in the High Option, but not the Low Option.
- The High Option normally includes “reasonable and customary” benefits for out-of-network dentists, which provides more flexibility in picking a dentist. The Low Option normally restricts reimbursement amounts if out-of-network dentists are used, and this creates a financial incentive to use in-network dentists.
- The High Option normally provides benefits for services related to bridges, crowns, and dentures. The Low Option normally doesn’t provide benefits for these services.
- Low Option premium costs can be as much as 40% less than High Option premiums, and this difference produces significantly lower employee contributions.

We would welcome an opportunity to answer your questions on Dental Benefits Plans.

**Benefits Advantage, Inc.** provides consulting and insurance brokerage services for all types of employee benefits programs. Emphasizing *personal service, creative ideas, and positive results*; Benefits Advantage Inc. has 30 years of industry experience in working with clients.

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## EXECUTIVE CONCERNS

### *Recent Fiduciary Liability Developments*

In the wake of Enron and other corporate scandals, Congress’s swift legislation in recent years has filled the courts with litigation. In a decision issued against Enron the court held that:

1. Anyone who makes decisions concerning Plan investments or about other fiduciaries is a fiduciary.
2. Plan Administrative Committee members are fiduciaries and are individually liable for any fiduciary breaches.
3. Directors and officers who appoint Plan Administrative Committee members are fiduciaries and are held to the prudent man standard when selecting, monitoring, and removing members.
4. Plan fiduciaries can only avoid responsibility for participant investment decisions if the various requirements of section 404(c) of ERISA are met.

ERISA Section 404(c) provides objective standards in areas such as investment selection and switching, as well as participant disclosure. Despite the best intentions of the plan fiduciaries, it is commonplace to find plans that do not comply with all of the requirements of Section 404(c). And with the significantly widened definition of plan fiduciary, compliance has become more critical than ever.

In light of the heightened regulations and scrutiny, a compliance review of any plan where there is a fiduciary responsibility, particularly ERISA based plans, is highly recommended. It may also be time to review your company Directors & Officers liability coverage. Your company, and your officers and directors have too much at stake otherwise. Weir Financial Resources and the Level VII Company members welcome assisting you, if you believe that such a review might be in order.

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