

California Healthcare News

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Articles, Interviews and Statistics for the Healthcare Executive

VOLUME 1, ISSUE 1

OCTOBER 2009

Keeping ICE Out of the Workplace: An Update in I-9 Compliance

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By now, most healthcare employers have heard of E-Verify. But many remain uncertain as to whether E-Verify applies to them. And for good reason – the final rule requiring certain federal contractors and subcontractors to use E-Verify has been embroiled in litigation and its implementation delayed no less than four times. Add state legislation mandating the use of E-Verify to the mix, and you have a nationwide patchwork quilt of E-Verify requirements – enough to make any employer dizzy. Yet, now more than ever, it is critical for employers to understand and comply with the I-9 requirements that apply to them.

On April 30, 2009, the Department of Homeland Security (DHS) announced a shift in its enforcement focus from work site raids in which undocumented workers are the target to employers of undocumented workers. Immigration and Customs Enforcement (ICE) agents were given specific instructions to “obtain indictments, criminal arrest or search warrants, or a commitment from a U.S. Attorney’s Office to prosecute the targeted employer, *before* arresting employees for civil immigration violations at a work site.” This shift in enforcement policy was illustrated on July 1, 2009, when ICE issued 652 Notices of Inspection

to employers, an increase from the 503 notices issued in all of 2008.

Given this shift in enforcement policy and the changes in state and federal legislation, how does an employer avoid a visit from ICE?

Ensure Proper I-9 Verification

Employment is one of the strongest magnets drawing unauthorized individuals to the United States. In 1986, Congress attempted to weaken the magnetic pull of employment by passing legislation requiring all employers to verify the identity and employment authorization of each newly hired employee.

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LETTERS TO THE EDITOR

If you have questions or suggestions regarding the News and its contents, please reply to dpeel@cahnews.com.

Letter from the Publisher and Editor



Dear Reader,

We are proud to present the first edition of the **California Healthcare News**. This publication will provide information of interest to leadership at California hospitals, medical clinics and insurance companies. We will present health insurance company financial information, best practice articles, interviews with California executives and op-eds from prominent health care leaders.

The **California Healthcare News** is the sister publication of the **Washington Healthcare News**. The two publications have a combined readership of over 7,000 and cover the states of California, Oregon, Washington, Idaho and Alaska.

We also have a vibrant web site at www.cahnews.com where health care leadership jobs are posted. Most jobs range from Manager to “C” level. The site allows a health care recruiter to cover our five state service area with just one job posting.

The **Consultant Marketplace** is also on the site. Here you will find lawyers, accountants, consultants or vendors to help make your healthcare business more efficient and effective. We hope you enjoy the **California Healthcare News**.

David Peel, Publisher and Editor

California Healthcare News 2009 Editorial Calendar

Month and Year	Theme of Edition	Space Reservation	Distribution Date
January 2009	Urban Medical Clinics	December 1, 2008	December 22, 2008
February 2009	Human Resources	January 2, 2009	January 19, 2009
March 2009	Rural Hospitals	February 2, 2009	February 23, 2009
April 2009	Insurance Carriers	March 2, 2009	March 23, 2009
May 2009	Information Technology	April 1, 2009	April 20, 2009
June 2009	Rural Medical Clinics	May 1, 2009	May 25, 2009
July 2009	Facilities	June 1, 2009	June 22, 2009
August 2009	Human Resources	July 3, 2009	July 20, 2009
September 2009	Finance	August 3, 2009	August 24, 2009
October 2009	Community Health Centers	September 1, 2009	September 22, 2009
November 2009	Urban Medical Clinics	October 1, 2009	October 19, 2009
December 2009	Urban Hospitals	November 2, 2009	November 23, 2009

<ICE, from P1

Employers comply with this requirement through the use of the Form I-9, which they must ensure is timely and properly completed. Within three business days of the date employment begins, an employer must review documents selected by an employee from the current List of Acceptable Documents, and complete the form by verifying that the documents presented appear genuine on their face and relate to the employee presenting them.

Understand E-Verify's Mandatory Application

In 1996, an electronic component was added to the I-9 verification process. E-Verify is a free, internet-based system used to electronically confirm employment authorization. According to DHS, an independent research firm found that 96.9% of all queries run through E-Verify result in employment verification within 24 hours. The remaining 3% of queries result in electronic responses that either require employers to take additional steps to verify work authorization or to terminate an employee based on the system's inability to verify work authorization.

Although initially only available to employers in five states on a voluntary basis, E-Verify is now available to employers nationwide. And it is no longer strictly voluntary; many states have enacted legislation mandating the use of E-Verify. To complicate matters, cities and counties in numerous states have passed ordinances mandating the use of E-Verify for certain employers.

On September 8, 2009, a new group of employers will be added

to the list of those required to use E-Verify as a result of a recent federal court decision upholding a regulation requiring covered federal contractors and subcontractors to use E-Verify. In light of this decision, all employers should review whether they are federal contractors or subcontractors subject to the E-Verify requirement.

Although many healthcare entities receive reimbursement for services to Medicare or Medicaid beneficiaries, reimbursement alone does not require healthcare employers to use E-Verify.

But change may be coming. At the federal level, two competing bills requiring all employers to use E-Verify or a similar electronic database have been reintroduced in Congress. Bottom line – some form of mandatory electronic verification for all employers is likely on its way.

Tips for Employers

Until then, healthcare entities can reduce the likelihood of an ICE visit by following the below steps:

- Properly and timely complete the current version of the Form I-9 for all new hires;

- Ensure documents appear genuine, pertain to the employee providing them, and are on the current List of Acceptable Documents;
- Re-verify applicable documents prior to expiration;
- Store Form I-9s for three years or one year after employment ends, whichever is later;
- Consider adopting an I-9 compliance policy and designating an “expert” to complete all Form I-9s;
- If errors are discovered, consider conducting an internal I-9 audit;
- Follow procedures uniformly and document steps taken; and
- Stay apprised of the applicable requirements, including E-Verify, and consult counsel with questions.

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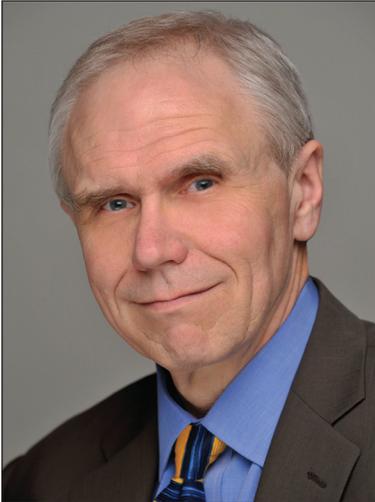
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Retirement Plan Management: Part 1 - Fund It, Fix It or Forget About It?

By **Ward M. Harris**
Managing Director
McHenry Partners



Background

Defined benefit plans were designed to provide certainty and stability in the delivery of retirement income for workers. The impact of the Pension Protection Act along with the recent market melt-down have combined to place incredible pressures on the entire pension system. Many plans have gone from over-funded to under-funded status. Strategies and tactics long recommended and considered safe no longer seem to perform as advertised.

Mid-market pension plans face many challenges, among them: 1) Actuarial and investment professionals often don't understand or fully appreciate the full impact of their counsel to clients; 2) Advisors and brokers may receive compensation that is inconsistent with best practices and good advice; and 3) Investment and administration vendors' business models and financial interests may not be well-

aligned with the best interests of their corporate customers.

The primary issue for most employers is how the DB plan can help build and grow the employer's primary business. Successful DB consulting relationships begin with the business needs of the employer. Actuarial and investment consulting can follow to meet the critical business objectives, but success is more likely if there is a coordinated, collaborative strategic plan.

Decision Model

In trying times like these, many options are available to plan sponsors. You can fund, fix, freeze or even terminate your plan. Each decision path carries both risk and opportunity. The skill, care, diligence and objectivity of your advisors can have significant and long-lasting effects upon your plan, your corporation and even your own professional and personal success.

The first step in an orderly approach to weighing your decisions is to decide who you want to rely upon and in what roles or areas of expertise. There are basically three perspectives on any pension plan decisions: business issues, liability issues and asset issues.

Business Issues: These are the C-Level topics tied to business survival and success. These deal directly with P&L and balance sheet impacts of pension plan decisions. The employer's own staff, legal counsel and consulting generalists are the most important resources for this area of effort.

Liability Issues: The actuarial professional has historically played a prominent role in this arena, related to plan design, administration and operation, including calculations and regulatory reporting. In today's environment, specialty-consulting support for DB plan design and liability management are critical elements in plan sponsors' ability to make informed decisions.

Asset Issues: Investment services in a DB environment call for skills, experiences and tools very different from the typical 401(k) or retail investment advisor or consultant. Relatively few professionals have the requisite resources to support DB business and liability issues from the investment perspective.

In an ideal world, the administration and investment professionals you use would be full partners able to understand and help address business issues. Is that the world you live in?

Next Time: "Retirement Plan Management: Part 2 – Ward's Top Five List of Pension SNAFUS"

Ward Harris is Managing Director with McHenry Partners, a national investment consulting firm. He has over 30 years experience in investments for corporate and not-for-profit organizations, Ward has served clients in consulting and management roles at Union Bank of California, Schwab Institutional and Rogerscasey, Inc. He can be reached at 1-800-638-8121 or ward.harris@mchenrypartners.com.



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Articles, Interviews and Statistics for the Healthcare Executive

What Employers Should Know About Employment Screening

By Jeff Sears

Director of Sales

Intelius Screening Solutions



With the Summer season drawing quickly to a close, I find myself reflecting on what an interesting year this has been for healthcare organizations as it relates to employment. In the 2009 monthly employment report published by the U.S. Department of Labor, healthcare was one of only two industries that experienced employment growth for the month of July – adding 20,000 to its ranks nationally.

While some might think statistics like this paint a rosy picture for healthcare, HR and staffing professionals are still faced with difficult recruitment challenges including: high employee turnover, managing the massive influx of resumes from a growing national unemployment rate (9.7% in the month of July) and increased resume scrutiny on every potentially qualified candidate identified in the recruitment process. In times like this, HR and staffing professionals need to be extra diligent and overly cau-

tious as they identify candidates for their open positions. Why? In 2009 alone, resume falsification has skyrocketed. For example, a recent survey conducted by the Society for Human Resource Management (SHRM) found that 52% of job seekers admitted to “making some sort of false claim on their resumes.”

The good news is healthcare recruiters can and are taking action to overcome these challenges. By following simple employment screening best-practices, healthcare organizations can reduce turnover, cut costs, increase efficiency and improve hiring compliance, while reducing risk significantly to their organizations and those they serve.

Intelius’ Best Practices for Healthcare Employment Screening

1. Commit To Screening – It’s Proactive, Cost-Effective Risk Management: Employment screening is a simple and cost-effective step any organization can take to mitigate risk against unqualified or unsafe individuals becoming part of their workforce. For what can be as little as 1-2 hours pay per new hire, healthcare organizations can instill a first line of defense quickly to protect their staff, patients and customers.
2. Define Your Employment Screening Policy – By Committee: Leading organizations, in all industries, have defined, documented and instituted formal policies around employ-

ment screening. Increasingly, the policies are being “built by committee.” Meaning, HR and staffing leadership are working closer with their business-unit counterparts to define strategy and policy requirements. By doing so, HR and staffing professionals are gaining greater buy-in on their policies and programs and are seeing them embraced more often organization-wide.

3. Brush Up on Industry Regulation To Ensure Legal Compliance: HR and staffing practitioners in leading healthcare organizations spend time staying current on the latest regulations to ensure their organizations are compliant. Screening your employees as governed by industry, state and federal regulations reduces the risk of litigation and potential fines that could have a detrimental impact on your bottom line.

Following these simple screening best-practices can go miles in avoiding costly hiring mistakes. Working with a solution provider, you’ll be able to quickly and cost-effectively streamline your processes to cut costs, improve compliance and mitigate organizational risk – and who knows, you could even make your organization a little more productive along the way.

Jeff Sears is the Director of Sales for Intelius Screening Solutions. Email Jeff at jsears@intelius.com or visit www.hr.intelius.com.

Health Insurance Carrier Financial Information

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California Accident and Health Insurance Premiums Market Share Report Through 06-30-09¹

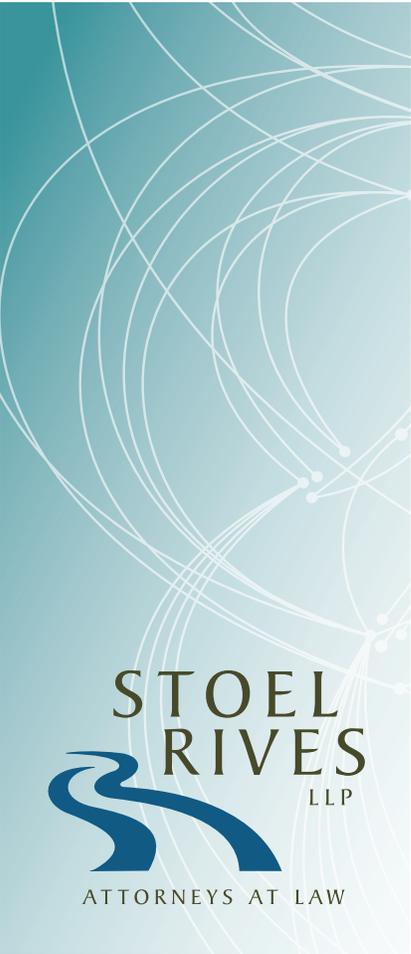
Company Code ²	Carrier Name	California Premiums YTD 06-30-09 ³	Market Share ⁴
62825	Anthem Blue Cross Life & Health Insurance Co.	\$1,906,690,694	24.6%
79413	UnitedHealthcare Insurance Co.	\$827,129,224	10.7%
60054	Aetna Life Insurance Co.	\$795,225,316	10.3%
61557	Blue Shield of California Life & Health Insurance Co.	\$549,891,425	7.1%
66141	Health Net Life Insurance Co.	\$527,594,339	6.8%
62308	Connecticut General Life Insurance Co.	\$312,893,982	4.0%
65978	Metropolitan Life Insurance Co.	\$298,917,744	3.9%
64246	Guardian Life Insurance Co. of America	\$190,580,054	2.5%
60380	American Family Life Assurance Co. of Columbus (AFLAC)	\$161,431,525	2.1%
70785	Pacificare Life and Health Insurance Company	\$144,100,252	1.9%
62235	Unum Life Insurance Co. of America	\$131,179,741	1.7%
69019	Standard Insurance Co.	\$108,480,069	1.4%
70025	Genworth Life Insurance Co.	\$106,116,509	1.4%
61271	Principal Life Insurance Company	\$101,730,916	1.3%
80314	Unicare Life & Health Insurance Co.	\$98,311,461	1.3%
70815	Hartford Life & Accident Insurance Co.	\$95,820,954	1.2%
73288	Humana Insurance Co.	\$93,627,132	1.2%
65498	Life Insurance Co. of North America	\$83,191,660	1.1%
65099	John Hancock Life Insurance Co.	\$76,396,798	1.0%
68241	Prudential Insurance Co. of America	\$54,601,827	.7%
65676	Lincoln National Life Insurance Co.	\$53,341,820	.7%
62049	Colonial Life & Accident Insurance Co.	\$50,313,891	.6%
65315	Liberty Life Assurance Co. of Boston	\$49,736,647	.6%
68381	Reliance Standard Life Insurance Co.	\$41,699,605	.5%
68322	Great West Life & Annuity Insurance Co.	\$38,966,633	.5%
	Estimate of All Others ⁴	\$852,029,782	10.9%
	Estimated Total⁴	\$7,750,000,000	100.0%

Notes: ¹Per National Association of Insurance Commissioner (NAIC) filings. ²Company code as assigned by the NAIC. ³Premiums are reported gross of reinsurance assumed and reinsurance ceded. ⁴Estimates by the California Healthcare News based on unadjusted Total Premiums Written in California from the 2008 Life and Annuity Market Share Report as published by the California Department of Insurance (www.insurance.ca.gov).

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