



**SBG Annual Meeting
January 23, 2008**

PRESIDENT'S REPORT

As we enter our 25th year, SBG is continuing to impact the health care and business community in a very positive manner. We can be very proud of the long list of prior accomplishments but we should also be vigilant in developing new ideas and processes to help manage the delivery to and the access of health care for our members.

In looking back at 2007, we experienced several positive results:

1. Financially, SBG/PHR is in the best shape we have ever been. We have not increased member fees in several years and we have had preliminary discussions about fee reductions. This is due to funds being raised by other sources such as the Envision product and the Small Business fully insured plan. We will even pay taxes for this year due to a small profit. We have been seriously approached by the National coalition about “renting” our Envision plan to other employer coalitions.
2. We added several new members such as SCAD, Lummus, Oneida and EMC Engineering. In addition, there are several promising leads as we continue to reach out through our marketing plan. We welcome them and thank them for the trust they have put into our group. We also thank them for being willing to serve and bring fresh new perspectives to help formulate new ideas and concepts as we move forward.
3. Our Small Business Fully-insured product is now in its second year. The first year was very successful with a very high retention rate. This product is competing very favorably with Blue Cross and others in the market place. They are even offering two-year rate guarantees, which are unheard of in the market. The last count was just over 2,000 member lives and that makes it comparable to some of our larger company members and the product is continuing to grow.
4. We extended our “partnership” contract agreement with St. Joseph’s/Candler for multiple years. This was done after much consideration for our current membership and new members coming online this past year. This will allow for other projects to be worked on with the time and resources that would have gone into negotiating a new contract this year. We continue to have a very positive relationship with the hospital system.

5. We have partnered with Healthy Savannah and the mayor's initiative to make healthy living a way of life for Savannah. Our employers are also initiating plans for employee wellness to increase the awareness of how harmful unhealthy lifestyles are to their personal wellbeing.

Looking forward, we need to continue thinking "outside of the box". We have been the first to initiate many processes and we must be willing to take risk and experiment with different approaches. I suggest a few possibilities:

1. Developing our own maintenance medication program with little or no co-pay to increase patient compliance using either contracts through the hospital or with another drug wholesaler, reducing the price of certain maintenance medications to a level where the employer can afford to waive the co-pay. Studies have shown marked increase in patient compliance and reduced cost from less extensive services.
2. Unhealthy lifestyle is the underlying leading cause of health care cost increases in the United States. Obesity may very well bankrupt the entire health care system with young children now becoming obese in earlier years than ever. Not too mention the harmful effects of tobacco, alcohol and other harmful habits. As employers funding the lion share of these costs, we need to begin holding participants accountable for their choice of lifestyle. Just as a poor driver pays more for insurance than a good driver, we should begin looking at ways to incent participants to adopt healthy lifestyles. This is will not only reduce health care costs but it will also provide for a more productive employee.
3. We have the Employer Co-Op up and running as of Monday, January 28. This is an opportunity to include your employees and spouses in a cost effective primary care setting that provides for thorough examinations without time limits. Pre-employment physicals, wellness exams and urgent care needs are just a few of the services that you could design for your company. It is only limited by what you want to accomplish for your participants.
4. Helping St. Joseph's/Candler develop public report cards for quality. Being the first to develop this in the community with our help will recognize our ability to drive change on the quality front and position SJC as a leader in quality improvement.
5. Continue our quality dialog with physicians. We need to recruit more physicians in our quality discussions and broaden our "net" to extend to quality initiatives in other disease states.

It has been my pleasure to serve as the President of SBG for my second term. I have told you before that SBG is a passion of mine and the "fun" part of my job with Colonial. I look forward to serving SBG in whatever capacity the coalition needs me.