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[MIKE BARONE](#)

President of employee benefits brokerage firm focuses on wellness

By JILL BLACKFORD, Special to the Daily Transcript
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After taking a closer look at the health insurance industry in San Diego in 2003 and seeing a viable business opportunity in the midst of the changes he noted, Mike Barone and a group of innovators founded **Intercare Insurance Solutions**. Now it's San Diego's third-largest employee benefits broker.

"I started to look at the brokerage industry in 2002 and was amazed at how much the market had changed," said Barone, Intercare Insurance Solutions president. "What we've done is expose the value gap between what clients receive relative to the norms. I run a low profit margin business by design so I can provide differentiated value."

Part of that differentiation stems from Intercare's focus on corporate wellness initiatives -- and on managing health versus managing disease. This is essential, Barone believes, in order for companies to really influence the overall cost of employee benefit programs. There is, he said, an "indisputable link between the health of an employee and the productivity of an employee."

With less competition among insurance carriers, cost savings are increasingly gleaned from cutting back on employees' utilization of care instead of largely via broker negotiations with providers. Thus, Intercare works with employers to understand the aggregate risk factors associated with health and then designs plans that engage employees to lead healthier lifestyles via targeted programs with incentives -- and then tracks the progress.

"Fifty percent of overall medical claims are modifiable by behavior alone," according to Barone. "Only 20 percent of total claims are genetically driven. We say, wow, what huge opportunity to implement wellness so that we can better understand what our future health risk is. We are really excited about this."

Intercare tracks data using a dashboard that captures about 15 different factors longitudinally year over year. This measures whether or not the health care programs are having an impact on drivers such as cost, productivity, health and absenteeism.

The value of increasing focus on having healthier employees is being discussed at the national level, too -- and two of Intercare's clients were included as case studies in the debate.

"Ezekiel Emanuel, Rahm Emanuel's brother, asked for five case studies that bend medical trends," Barone said. "There was **Pitney Bowes** with 45,000 employees, **Blue Cross Blue Shield** that has 13,000, Manatee County with 7,000 employees and then two from San Diego -- **Kisco Senior Living** and **Clark Securities**. And those two are both Intercare clients."

Barone and his colleagues are being recognized directly for innovation in integrating wellness and employee benefits as well, with Barone named one of 25 brokers nationally as Power Broker of the Year by *Risk and Insurance* magazine and Intercare named one of two brokerage firms in the country awarded the Apex Award by *hubMagazine*, a **United Health** publication.

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