

# MUNICIPAL HEALTHCARE COOPERATIVE

- Business health care spending equaled 14% of after tax profits in 1965; in 1990 and 1991 business health care costs surpassed profits. Until something is done to change this trend, economic growth will stagnate.



Alvarez T. Ferrouillet, Jr.  
President, MHC

"Businesses provide health care coverage for approximately 70% of the population under 65 years of age. If health care costs could be controlled without sacrificing the quality of care, or access to it, business expansion would not only be more feasible - it would be much more likely. I believe the MHC Community Action Plan has all the right mechanisms to control health care costs and will actually result in improving access to care for everyone in the community."

Alvarez Ferrouillet

## The MHC Community Action Plan...

- Improves access to health care by making it more affordable
- Provides an efficient means of expediently reorganizing, controlling and containing municipal employee benefit costs
- Provides a means with which to demonstrate leadership by significantly contributing to the solution of community health care problems
- Attracts new industry to the community by creating a favorable business environment that controls this significant employer expense.

Call 504-827-0145

## Introducing the MHC Community Action Plan

Through his professional affiliations developed over the past ten years, Alvarez T. Ferrouillet, Jr. met and counseled with many civic leaders and government officials at all levels. As diverse as these leaders, their backgrounds and their communities were, there was one issue that continuously surfaced in their discussions - health care. It became obvious to Alvarez that the health care problem had been recognized at the local level long before it was publicized nationally. After further analysis it became all too obvious that the cost of health care was, and still is, heavily contributing to the economic woes of cities and municipalities throughout the country.

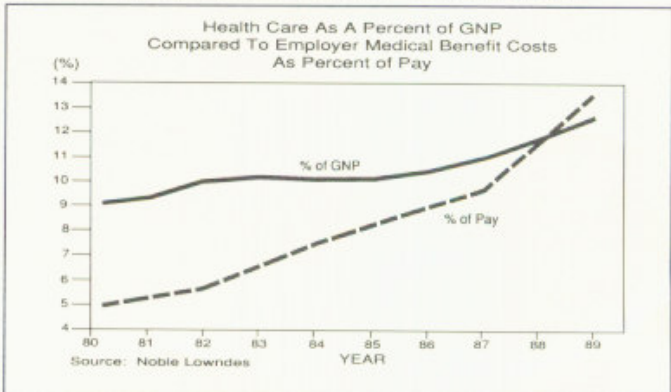
There had to be a solution somewhere. At the very least there had to be a way to cut the problem down to a manageable size. Alvarez began to study the problem in earnest. He listened. He read. He evaluated and learned. Alvarez raised questions at the dinner table, the round table and the conference table. His analysis left him acutely aware that in nearly every case attempts for solution were too confined and narrow in scope and not nearly comprehensive enough to adequately address the problem. He concluded that a creative organizational approach that extended cooperative concepts to the health care issue could work. It would require an alliance between government, business leaders and health care providers to serve their common goals. This was the beginning of the MHC Community Action Plan.

For his plan to succeed it had to be implemented on the local level. Alvarez had long since surmised that powerful lobbies and the many opposing political forces at the national level would blur the focus, over-stretch resources and limit implementation to a rigid structure unable to accommodate differing local needs and objectives.

Knowing that there are leaders on the local level who are willing to take the initiative to tackle the problem if presented with a truly workable plan, Alvarez assembled a hand-picked team of talented professionals with diverse health care experience to forge his design into the tool these leaders need. Both the team and the plan acknowledge and accommodate the need for ongoing health care management, as there are no quick fixes. Furthermore, the plan is designed to quickly respond to market reactions as changes are implemented.

### In Alvarez's own words:

*"Over the years I've made a concerted effort to counsel with knowledgeable people in the industry. I was particularly interested in finding talented individuals, people outside the bureaucracies with extensive knowledge and expertise who were unafraid to try an unconventional approach. They also had to be people with the stamina and commitment to see the plan through; hard-core industry professionals with vision. Warren Steele of AFLAC, Barry Prather of Ernst & Young, and Leonard Jagoda of the American National Group certainly fulfilled my requirements."*



The MHC Community Action Plan addresses the health care problem through four fundamental areas of approach:

- **THE CONSUMER APPROACH:** Part of the problem stems from the fact that the consumers are intimidated when they must "purchase" medical care. Education prevents intimidation and the plan includes teaching individuals about health care. The consumer will have the opportunity to tailor his coverage to meet those specific needs peculiar to his or her situation.

- **THE EMPLOYER APPROACH:** Employers are paying for the majority of the health care cost for the nation. Thus, the employer has the ability and incentive to communicate with and educate the employee consumers and is best positioned to develop sensible benefit plans. The employer will also receive some much needed relief from the burden of health care costs by improving the value of the benefit dollar spent.

#### **Alvarez T. Ferrouillet, Jr...**

is a partner in the Law Firm of Ferrouillet & Ferrouillet who has been practicing in the City of New Orleans for more than twenty years. Mr. Ferrouillet has devoted much of his adult life to the formation and management of producer, consumer and marketing cooperatives. In 1977, Mr. Ferrouillet served as President of Consolidated Mineral Managers, Inc. (CMMI), a cooperative mineral management company involved in the mineral resources of small and mid-sized land/mineral owners in the rural Southeast. In 1991, he was appointed to the Louisiana State Mineral Board where he served as Chairman of the Legal & Title Controversies Committee. He has previously served on the staff of the Southern Cooperative Development Fund in Lafayette, Louisiana and was legal advisor to and a member of the Board of Directors of Emergency Land Fund. Currently he is serving on the Board of Directors of the Federation of Southern Cooperatives.

His education includes a B.S. in Mathematics with a minor in Physics from Xavier University, Louisiana and a Juris-Doctorate (J.D.) degree from the State University of New York at Buffalo where he was an honor student in Corporate Law and authored a treatise in Corporate Finance.

- **THE HEALTH CARE PROVIDER APPROACH:** The health care issue is not limited to costs, it includes access to care, quality of care and value for money spent. Hospitals and physicians must therefore participate if the full potential of any program is to be achieved. Providers will benefit with increased volume resulting from increased consumer access to health care.

- **THE COMMUNITY APPROACH:** There must be an environment conducive to creating a cooperative program - a coalition. The municipality with progressive leaders who are an active force in the community must lead the way. Mayors have both the power and authority essential to initiating this program. Once introduced, the team will organize the activities and initiate the MHC Community Action Plan, periodically confirming and modifying as need dictates.

The MHC Community Action Plan is well-defined yet flexible. It digs into the core of the problem rather than sugar-coat it. Indeed, it establishes a long-term, effective remedy administered by seasoned professionals with exemplary skills. The MHC Community Action Plan allows the community to take care of its' own under the leadership of one of its' own. Call today. It just may be the most important call of your career in behalf of your community.



### **W. Barry Prather**

W. Barry Prather, a Regional Director in Ernst & Young's Actuarial, Benefits and Compensation Consulting Group, directs benefits program design for clients in the Southeast and other select locations. He has over 17 years experience in the design, implementation and administration of employee benefit plans to include assisting with the formation of a business coalition on health and serving as the coalition's first president. Prather holds an undergraduate degree from Mercer University and a law degree. He has also served on the editorial advisory committee of *Personnel Administrator* and was a participant and contributor to the LOMA publication, *The Future of Pensions*.

### **Leonard J. Jagoda**

Leonard J. Jagoda, President of American National Services, Inc., Chief Executive Officer of American SelfCare Corporation and American Health and Security Insurance Company, brings over 15 years of insurance industry experience; eleven of which have been in the area of group benefits. Jagoda founded and chaired American National in an innovative move to bring numerous resources and services under one company umbrella thereby providing the highest level of services in the industry. Prior to his founding American National, he simultaneously held the positions of VP of Finance of a \$6 billion dollar insurance company, Senior VP of its' New York subsidiary and Senior VP of another insurance related subsidiary. Also worthy of note is his past experience in Great Britain, during which he formed an insurance operation from conception to full operations involving 4 companies. Born June 8, 1947 in Cleveland, Ohio, he served in the U.S. Army seven years, earning medals and commendations to include the Bronze Star. He is a Magna Cum Laude graduate with a B.B.A. in Accounting and has been certified as an Internal Auditor and Information Systems Auditor.



### **Warren B. Steele, II**

Warren B. Steele, II, is Vice President, Director of Marketing Administration of AFLAC. Born May 1, 1962, he is a graduate of Harvard University in Cambridge with a B.A. degree in Psychology and Social Relations. After graduation he joined AFLAC in March of 1984 as a management trainee. He has served as an administrator in Marketing, Special Projects Coordinator in Compliance, Assistant Vice President in Administrative Systems, and Second Vice President in Marketing Administration, before the promotion to his present position in September, 1990. He is a Fellow of the Life Management Institute. Steele also serves on the Harvard Schools and Scholarship Committee, the Muscogee County School District's Marketing Advisory Council, and the National Council for Services Marketing under the direction of the Conference Board.