

Voluntary benefits provide options amid rising health care costs

BY STEPHANIE CROSSE

WOMEN REPRESENT 51 percent of the population in the United States and nearly 47 percent of the labor force.

As of 2006, there were an estimated 10.4 million privately-held firms in the United States in which women were half or majority owners. Women-owned businesses account for 70 percent of all new businesses opened over the past decade. They generate \$1.9 trillion in annual sales, employ 12.8 million people and spend an estimated \$546 billion annually on salaries and benefits.

Despite this growing financial success among women, the increasing cost of health care is a major concern for female consumers as they look for ways to balance routine expenses with the rising price of medical treatment. The apprehension of coping with mounting expenses is not limited to employees. Business owners also distress over how to handle rising costs, and search for options that will reduce their operating expenses. An overwhelming concern for women in both groups is the continuing spike in health care costs.

Voluntary insurance benefits offer two major advantages for businesses and their employees. First, adding voluntary benefits helps recruit and retain employees by bolstering benefit packages at little to no cost to the business. Second, voluntary benefits can provide added-value for businesses of all sizes from small companies with as few as three employees to large corporations with a huge workforce.

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Few American workers have the rec-

ommended three to six months of personal savings to cover living expenses in case of a rainy day. Making voluntary benefits available to employees is a great way to recruit top talent and also helps workers with financial planning, allowing them to better handle expenses incurred from an unexpected health emergency.

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Voluntary benefits are generally paid directly to the employee and can be used toward expenses like co-payments, mortgage, groceries, and car payments while employees are away from work recovering from an injury or illness. The policies are also portable, so employees can maintain the same benefits at the same premium if they change jobs.

Whether a new entrepreneur recruiting your first employee or a seasoned businesswoman looking for ways to enhance benefit offerings, voluntary insurance products can help you manage health care costs while providing added-value for your workforce.

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By dint of the types of issues we handle, lawyers always have had more than their share of criticism, but it is very difficult to truly hate someone who is working diligently to make your community better. Now, for the first time, fewer lawyers are active in the community to dispel the myths and to defend the law itself.

The entire legal profession is suffering because of the pyramid partnership system. Money, whether in the form of partnership compensation or astronomical associate salaries, cannot fill the void that lawyers feel when they work in unpleasant

environments, in more sterile communities, with less community and family support, and in a society increasingly hostile to their profession.

Changing our profession will require some radical decisions: to cut hours, to sacrifice time to train and mentor lawyers, and to create law firm models that give incentives for training and community work. But we will all – top to bottom – benefit.

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SAVE THE DATE: THE ANNUAL DINNER IS MAY 8

JOIN YOUR FRIENDS IN GAWL for the Annual Dinner, a celebration of GAWL! The Annual Dinner and Meeting will be held at 103 West (103 West Paces Ferry Road, Atlanta, GA 30305). We will enjoy a networking/cocktail hour from 6 to 7 p.m. and a relaxed meal and awards ceremony from 7 to 9 p.m.

Recipients of GAWL's most prestigious awards, including the Kathleen Kessler award, will be announced. In addition, GAWL will be recognizing:

- The trailblazing women who have been practicing law for 35 years or more
- The inaugural class of GAWL's Leadership Academy
- The GAWL Foundation scholarship recipients

A shorter formal program this year means more time for networking, catching up with old friends, and celebrating one of GAWL's best years yet. Register now!

\$50 - GAWL Members; \$80 - Non-Members;

\$25 Members of the Judiciary and Public Interest Attorneys

Alternative billing: taking your practice beyond the billable hour

BY IRMA ESPINO

IT'S THAT TIME of the month: you've sent your bill out. It's just a matter of time before the phone rings, with your client on the other end asking, "How many more hours will it take to complete the case?"

Hourly billing is probably the most common method used by attorneys, but lawyers and firms did not always bill by the hour. For most of history, lawyers considered the difficulty of a matter and the results obtained when charging clients, and often sent bills marked "for services rendered."

The rise of billable hour can be traced back to the 1950's-60's as consultants promoted hourly billing to increase firm profits. The billable hour model was simple: to make more money, firms could increase hourly rates or hours worked. As it turns out, the model had a simple downside: a practice based on billable hours is one that ensures a ceiling on profits. No one can bill twenty four hours a day. Besides, few clients want to have a crucial motion drafted at the end of a fourteen hour day. In spite of how some people behave, human capacity for work is, in fact, limited.

The practical result of the billable model is an increase in the hourly rate and hours worked. The secondary effects that flow from it read like a list of what is wrong with the legal profession: lack of collegiality (since time spent chatting with colleagues is time not spent billing), fraudulent billing, intentionally stretching out the time it should take to finish a matter, unpredictable costs for clients, little time for friends, family or community service, and a system that rewards lawyers for quantity over quality.

I know many of you are thinking to yourself, "if the model is so flawed, why are we still using it?" The continued dominance of the billable hour boils down to fear of change. In spite of the negative impact on the profession and lawyers' personal well-being, simplicity, familiarity and fear serve as interlocking and reinforcing pressures against change.

To break out the billable hour model we,

lawyers as a profession, must remember that the most valuable product for sale is not time. The product for sale is our skill, expertise, innovation and service. Once we re-focus our perspective it is clear that many attractive alternatives exist. Flat fee, fixed-project based fees, contingency fee, and value/success based billing are among our options.

My favorite alternative is value billing. It makes sense to talk about fees in terms of value. In a value billing model, the lawyer and client determine the fee together, before the work is performed. Before you scoff at the notion, I am inclined to point out that even skyscrapers have a price. When you go out for a burger, or shop for a refrigerator, you're never told that no one know what the product will cost. In the case of much more complex transactions, such as building a skyscraper or an aircraft carrier, even though there are many factors out of the control of the builder, the parties still predict cost, or at least agree upon a methodology for establishing the likely cost in advance, plus a process for handling any unexpected changes.

Likewise, in determining the value of legal services you must ask: What is it worth to your client to avoid expensive litigation? What is it worth to your client to operate a business free from worry about meeting legal deadlines and having compliance issues handled in a timely and accurate manner? How will we handle unexpected complications? By providing a value added service you transcend the role of just another service provider sending monthly invoices, and become an indispensable partner in your client's success. It is hard to quantify the value of well-crafted legal plan. But any client who has been through costly litigation should have an understanding of the value your legal expertise, innovation and service can bring.

Irma Espino is an associate with Cook, Youngelson & Wiggins, LLC. Her practices are focused on First Amendment litigation, alcoholic beverages and business law matters. Irma is admitted to practice in all courts in Georgia and federal court for the Northern District of Georgia. She is also an active member of the Atlanta Bar Association Council of Young Lawyers, Georgia Association of Women Lawyers and the Hispanic Chamber of Commerce Legislative Committee. Irma is also fluent in Spanish.



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