

TITLE : REDUCING THE COST OF EMPLOYEES' HEALTH CARE IN

MANUFACTURING INDUSTRIES

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INTRODUCTION

1.1 BACKGROUND INFORMATION

Health care cost is the cost incurred by companies due to employees on sick-leaves. Companies incurred direct and indirect costs due to the above reason. The direct cost comprises of :

i. Employee's salary

The company has to pay for the salary of the employee on sick-leave.

ii. Provision of medical benefits/hospitalizations

In this area, the company has to provide the employee with sufficient medical supports in cases where employee suffer from ill health. The benefits range from expenses as an outpatient for minor ailment treatment to the heavy cost of other major treatment. The major medical expenses include prescription drugs, dental care, care for drug abuse and alcoholism, vision care and the use of maternity clinic.

iii. Disability payment

This refer to the payment made by the company