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Analytics
Inc**

Health Finance Bio

In the 70's my Employee Assistance firm contracted with employers to identify and refer people with mental health and chemical dependency problems. The same employers had medical insurance plans that denied the claims, and naturally so since the goal of an insurance plan is to limit claim expenses and maximize premium revenue. Toro was the first employer that decided it was to their benefit to not only identify and refer persons needing services, but to also manage the prudent purchase of needed treatment services. Consequently, these uninsurable services were purchased by the EAP/case manager within the context of management goals for utilization. In the early 80's I worked for Honeywell Corporate and developed similar programs in several states to procure behavioral health services outside of medical plans. We came to realize the problem was not only for behavioral health, but that most chronic healthcare services did not fit the prerequisites of an insurable risk and that the purchase was better managed than insured.

Through the mid 90's I published some forty articles, spoke at many conferences and consulted on this subject to most of the Fortune 50 as well as healthcare delivery systems both large and small. At a conceptual level, I found little dissent even when speaking to groups such an auditorium full of Cigna staff at their corporate headquarters. However, when it came to implementation it was difficult to break the old framework of claims and risk.

To explore the issues more fully, I undertook a Ph.D. program at the University of Minnesota and taught healthcare finance at the School of Public Health. After completing my coursework and orals, I was ready to test my hypothesis that the adequacy of health and medical services correlated to the degree the condition or diagnosis conformed to being an insurable risk. Most observers concurred that it was easier to obtain payment for acute, high-tech medical services than for chronic health conditions that required extensive nursing, physical therapy or social services. To have medical experts rate each condition according to the extent it conformed to a list of prerequisites for an insurable risk would not be that difficult. However, I was unable to find data on the adequacy of medical and healthcare services by condition or diagnosis.

Times changed and employers were no longer investing in design work to change how healthcare is purchased. Corporate staffs were curtailed, and all possible human resource functions were outsourced. Because of the software I had developed to administer the procurement of behavioral health services, my career then parlayed into becoming a business analyst for data warehouse assessments and implementation. When IT went through a funding collapse in 2001, I began using my analytical and data mining skills to select stocks for myself and others. Since then I have been doing money management of separate accounts.

An alternative to mutual funds.

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