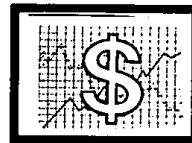


Business

Marilyn Fitchett editor/591-2300

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(F11C)

By Philip A. Sherman
staff writer

As a participant in the Health in Business Program at Rockwell International Corp. in Troy, Bill Long was having his blood pressure taken, on site, by Tish McKee, an occupational health safety nurse.

"I looked into Tish's eyes when she took them (the readings) the first time and I knew there was something wrong," said Long, manager of the safety engineering department. At the time he weighed 220 pounds and had no history of hypertension. "But when they talk about the silent killer, they talk right."

"The readings blew the gauge right apart," Long said. "I have no idea what would have happened had I not been in that seminar."

Three years later, Long, 62, now weighs 183, is on hypertension medication and has modified his diet. He credits his continued good health to the Health in Business Program originating at Oakwood Hospital in Dearborn.

McKee, manager of the hospital's Health in Business Worksite Health and Safety Services department, said the program started in November 1984 with "more than \$1 million" in grant money from the Southeastern Michigan Program for Affordable Health Care.

"They (grant administrators) were told to divide (the money among) study projects they thought would reduce the cost of health care, but without diminishing quality. Oakwood was one of those selected for the project," McKee said.

OAKWOOD AIMED its resources at driving down health care costs for smaller businesses (less than 1,000 employees) by offering those businesses an advantage traditionally found at large companies such as Ford Motor and Detroit Edison — an on-site nurse.

"It's cheaper to treat employees on site than send them out somewhere," McKee said.

Ten businesses, including

Prevention: Cut health care costs on job site



Oakwood Hospital's Joyce Kozma checks the blood pressure of John Cailto at Rockwood International in Troy.

DUANE BURLESON/staff photographer

Rockwell, Groves Manufacturing Co. in Troy and the Philip R. Seaver Title Co. in Bloomfield Hills, participated in the program, which ran through October 1987.

During the grant period, each company received the free services of an occupational health safety

nurse in exchange for data showing how much the businesses saved on health care costs, McKee said.

Results were measured through employee questionnaires and company records, McKee said. Overall, she said the companies' health care savings greatly increased. One test com-

pany with annual workers compensation costs of \$126,891 cut those costs to \$10,767 annually after participating in the three-year program, according to a hospital report.

NOW THAT the program is over, Oakwood, like several other area

hospitals, is going public and marketing its services to area businesses, McKee said. Her department just hired its fifth occupational health safety nurse, who is available for on-site duty.

It costs \$42 per hour to bring an Oakwood nurse on site, McKee said.

She said a company such as Rockwell has a nurse available for employees twice a week.

For that hourly fee, nurses provide health screening services such as blood pressure readings; weight, nutrition and diet information; cholesterol checks with immediate results; a variety of specialized clinics, such as stop-smoking seminars; and, perhaps most important, easy access for an employee to talk with a health care professional, McKee said.

"We get so many questions regarding not only (the employees) themselves but about family members," McKee said.

Nurses also use the time to schedule talks with employees, monitor their individual programs and motivate them. Nurses do not rotate among client companies, so the same person gains a familiarity with the employees and company programs, McKee said.

HOSPITALS PRICE similar products differently. Boisford, in Farmington, has a per-participant charge of \$15-\$30 for on-site care, according to Susan Perry-Nolte, director of marketing and sales support for the hospital's Health Development Network. Perry-Nolte bills the network as a "total wellness provider."

The network plan includes a needs assessment; written or verbal interviews; education, such as workshops to manage blood pressure; and follow-up screenings, she said.

"Businesses can choose all or any one of these steps," Perry-Nolte said.

Rochester's Crittenton Hospital has a similar program under the name Healthbeat; it charges for services by the series, which can range from \$490, according to Carol Beckett, department director.

"But I encourage businesses to work with employees," she said about program payment.

A typical breakdown might see a company paying two-thirds of a program's cost with employees paying the remainder, she said.

'Male divorce:' dissolving business partnerships

By Anne Fracassa
special writer

Male divorce.

That's what attorney Jeff Ibbia, a partner with the Southfield law firm of Kramer, Melten, Wagner and Ibbia, calls cases he handles involving a business partnership that dies.

"It all starts when one of the partners decides he no longer wants to be a partner," Ibbia said. He considers real estate law, partnerships, buyouts, mergers and divestitures as his specialties.

"The dissolution of the partnership is often a complicated and emotionally charged situation."

His firm, occupying 10,000 square feet on the 17th floor of 3000 Town Center, employs 40. A Birmingham resident, Ibbia said he handled more than 100 such cases since he began seeking this form of business eight years ago.

Most of his cases don't involve a simple breakup with each partner

agreeing to half the assets and then each going a separate way.

He cites some of the tougher cases.

"I handled a successful multi-million dollar tool and die business owned by two brothers," he said. "One brother went off the deep end and decided he wanted to be a big-time drug dealer and started selling drugs out of the business location."

After the other brother was made aware of the situation, the drug dealer tried to take the business and move it across the street. A "real messy" situation, Ibbia said.

"The long-term ramifications of a business being involved in such problems are staggering," Ibbia said. "How can one partner not only explain the other's behavior but also explain to the shareholders that the company isn't performing as it should?"

Partnerships gone bad aren't limited to high-powered professionals. Incompatibility can be found at all

'One partner has been emotionally hurt by the realization of wrongdoing by the other, and he may feel his demands are not met monetarily. That hurt is worth something, too.'

— Jeff Ibbia

levels.

Ibbia recalls a father and son sharing a successful medical practice — until dad found his son stealing drugs and money from the office.

Then there were the brothers sharing a law firm. One was working, the other wanted to play the role of winner and diner, not coming into the office until noon, if at all.

"The partners may agree on dis-

tribution of monetary assets, but what happens when it's the company's speedboat and both partners are emotionally attached to it? That's when the big problems develop."

Ibbia said he's seen adults come to blows over a Picasso painting purchased before the artist's death for \$1,000. Now worth 10 times that amount, it's his job to settle the difference so both partners come out not feeling cheated.

"And sometimes that's impossible, due to the emotional end of it," he said. "One partner has been emotionally hurt by the realization of wrongdoing by the other, and he may feel his demands are not met monetarily. That hurt is worth something, too."

The dissolution process is quite simple.

Ibbia approaches both partners and determines what will happen to the business, whether the business will be bought or sold to the other partner. The business and its assets

are evaluated and proposals are made. Eventually both partners come to terms with the settlement.

"It's the art of unraveling a business and still assuring it will survive and prosper," he said. "It's really a challenge to make it work and function."

The hardest part of his job is separating the emotional end of the breakup from the logical business aspect.

"Especially if one is caught stealing from the other, it's really hard, as if a pound of flesh has been stolen," Ibbia said. "That partner wants compensation for the pain of betrayal after realizing he was taken advantage of by someone he trusted."

"In a sense, part of my job is to play psychologist."

Graduating 13 years ago from Wayne State University Law School, Ibbia became interested in partnership dissolution when he began dealing in tax and business law.

"I encountered my first case and my interest has yet to peak. Although much of the work is repetitive and to an extent simplistic, it is a fine science and quite a challenge."

Ibbia has some tips on how to choose the right partner to avoid problems.

"Look for someone who is honest and honorable, someone you know well enough to see he or she doesn't take advantage of or abuse people. Make sure you have the same goals and objectives and agree on how to run the business together."

"After the partnership is formed, evaluate it regularly and look for signs of abuse, failure of communication or problems. Then take action before the problems get out of hand."

"Most partnerships flourish and work well so long as both partners are effective and respect each other," Ibbia said. "If problems do arise, just try to get out in a gentlemanly way."

Doubts surround tax reform

By Philip A. Sherman
staff writer

A proposal to repeal Michigan's value-added Single Business Tax and replace it with a flat tax linked to a company's profit margin is receiving mixed reviews from area business leaders.

Some think the proposal, similar versions of which were called for almost simultaneously in May by Gov. James Blanchard and state Sen. Norm Shinkle, R-Lambertville, will relieve some of the tax burden on small businesses. Others think the proposal is little more than a means of getting successful businesses to support their less successful counterparts.

Both the Democratic and Republican versions of the repeal are in the House Taxation Committee. The committee has no meetings scheduled this summer, which means neither proposal will be considered until the fall session.

BASICALLY, The proposals support repealing the Single Business Tax and replacing it with a flat tax on profits for businesses with less than \$7 million in annual gross receipts.

Currently, companies in that category pay taxes under a complicated formula approved when the plan was enacted during the Milliken adminis-

tration. Opponents of the Single Business Tax say it stifles small-business development.

That's because the tax, the only one of its kind nationwide, places a "value-added" tax on a product as it passes through each stage of development and at the time it's bought by a consumer. The 2.35-percent tax rate is applied to payroll, depreciation and profits.

For example, a small business may be discouraged from increasing its staff because under the Single Business Tax plan, its tax obligation would grow with that additional employee.

THE REPEAL proposals would replace this plan with a flat rate instead of a value-added system. The rate has not been determined; estimates from Blanchard's office range from 3.5 percent to 7.4 percent for businesses with between \$40,000 and \$4 million in gross receipts.

"It almost seems the governor is trying to keep people from supporting this," said Richard Haddock, president of the Alexander Hamilton Insurance Co. in Farmington Hills.

"I'm a great proponent of the value-added tax . . . you don't pay it until you buy something," Haddock says. "But we would like to see a value-added system nationwide," he said.

To subsidize businesses that are

falling anyway, you're really just putting off the inevitable. You shouldn't penalize the successful business," Haddock said. "In the long run, if a business isn't strong enough to pay for services it requires from the government, then it will fail anyway."

JEAN PALUZZI, an officer of the Small Business Association of Michigan and president of JGP Marketing Group International in Livonia, thinks the "proposed revision addresses a serious imbalance."

"It doesn't make sense for smaller businesses that don't make that kind of money to pay those kinds of taxes. Particularly in start-up years, those taxes can be burdensome," Paluzzi said.

"We think they both have merit," said Jill Pollock, another Small Business Association officer and principal of the Arbor Consulting Group in Plymouth. "We'd just like to see them get together."

OAKLAND COUNTY commissioner Larry Pernick said like all citizens, he'd rather not pay any taxes. Pernick runs an independent insurance agency.

He said he sees merit in the Single Business Tax and "would like to stay with it, but make it a little fairer."

"It's stipulated and at the same time fair and progressive. If there's a burden to pay, we are all willing to pay our share," he said.

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