



The Idea Exchange EBX Newsletter

November 2009

In This Issue

**Healthcare
Modernization Update**

**What is a Calendar
Year Deductible?**

**National Bank of
Arizona**

**Get the Facts About the
Flu**

**Long Term Care
insurance: What's it all
about?**

**Phil Bobadilla,
President**



**Constance Lemere,
Vice President**



The President's Corner

Thank you for reading our newsletter! This month's issue features new and exciting articles that could help improve your business and give you more insight into your insurance needs.

Regards,

Phil Bobadilla, President
We go beyond your expectations!

COBRA Stimulus Subsidy. Will it be extended?

The American Recovery and Reinvestment Act of 2009 (ARRA), included a 65% COBRA premium subsidy designed to help cover the cost of COBRA premiums for non-voluntary terminated employees for up to 9 months. This subsidy has helped millions of american workers since its inception in Feb. of 2009.

The first recipients of the nine-month subsidy, which would have started in March of 2009, will lose their federally-sponsored subsidies covering 65% of the cost of the single rate for their COBRA premium on Dec. 31, 2009. As a result, they may have to pay nearly three times more out of their own pockets to continue their health insurance under COBRA.

While Congress is considering extending the COBRA subsidy benefits, no decision has been made at the yet. We will send out a special notice if and when changes are made. For now, as an employer, you might want to review when any terminated employee started on COBRA and how many months they have received the subsidy.

Here are some questions and answers we have reviewed

Katelyn Sandoval,
Admin Assistant



Jason Holmes,
Group Broker



Marisa Bobadilla,
Customer Service Rep



Allen Crowder,
Sales



from various web sites for you;

Question: Where to I get more information on the COBRA Subsidy Bill?

Answer: www.dol.gov/ebsa/cobra.html

Question: Who is eligible for the COBRA subsidy?

Answer: COBRA subsidy is available to employees who were involuntarily terminated (for reason other than gross misconduct) and who are not eligible for health insurance coverage through other group health insurance such as their spouse's plan or Medicare.

Question: When did the clock start on the COBRA subsidy?

Answer: If any employees were laid off or terminated on or before Dec. 31 2009, the subsidy will continue for 9 months from the beginning of the COBRA premium due. If employees are laid off or terminated after Dec. 31, 2009, employees will not be eligible for the subsidy unless Congress opts to extend the eligibility deadline.

Question: Will Federal COBRA subsidy be extended?

Answer: Congress is considering legislation to extend the COBRA subsidy, but at this time we have not seen a strong proposal either for extending it or terminating it. If you as an employer have anyone who will lose this subsidy in Dec. or Jan., it would be wise to notify the COBRA beneficiary in writing that the subsidy will be ending and on what date it will end. Any COBRA participant can be told to call our office and ask for Marisa to be quoted on an individual private health insurance program.

Question: Is there any risk in applying for private health insurance while I'm still on COBRA?

Answer: Your continued eligibility for COBRA is not affected by applying for a private health insurance plan. Once approved for private coverage, you can just stop paying your COBRA premium (whether you get a subsidy or not) and send a letter of termination of your COBRA plan to the employer. If you are denied private health insurance coverage because of a medical condition, COBRA beneficiaries can stay on their COBRA plans for up to the total number of months originally received when they started the COBRA extension.

Question: What if the COBRA subsidy runs out in Dec. or in the near future?

Answer: Employees can continue to stay on COBRA until their number of months runs out, or they can choose to enroll in private healthcare programs. If they cannot qualify for a private individual policy, there are links on our web site for other alternatives available within the state.

Question: What if I apply for private health insurance and then find out that the COBRA subsidy will be extended after all?

Answer: If you apply for an individual plan and are approved, usually you have a "Free Look" period to place your policy in effect. If the subsidy is extended prior to your 9 months subsidy running out, you can just tell your agent you do not want to continue with the individual plan. There is an application fee that will be charged, but not the monthly premium if you cancel during this "Free Look" period.

Question: If I drop my COBRA plan and go on a private health plan, can I return to the COBRA plan if the subsidy is extended?

Answer: Currently we are not clear on this. Normally, once you drop COBRA or are terminated for non-payment, you cannot return to the COBRA plan. Some employers allow for reinstatement, but most do not.

Question: What if I have an employee who just started COBRA in Nov. and is getting the subsidy? Will they lose the subsidy in Dec. if it is not extended?

Answer: No, if a non-voluntary terminated employee qualified for COBRA subsidy, the law currently provides that they will continue to receive assistance with COBRA premiums for a total of nine months from the date they started receiving the subsidy.

Question: Will any of this change if any new health reform legislation is voted upon?

Answer: If any new legislation is enacted, health reform legislation will not be implemented overnight. In fact most of the proposed changes that are currently being discussed will not take effect until 2013.

Written by Phil Bobadilla, President

Understanding What a Calendar Year Deductible Is

When shopping for a health plan, you will commonly see reference to the plan's calendar year deductible. Anytime a deductible is referred to as "calendar year," this indicates that the deductible begins on January 1st and ends on December 31st of each year. A deductible is the amount that must be paid by the insured member before they start receiving benefits from the insurance company. Review your plan details closely to determine which services apply to the calendar year deductible and which do not. Those services that do not apply to the calendar year deductible should clearly state "deductible waived" or some other verbiage that makes it clear you are receiving first dollar benefits for this service. HMO plans have historically required no calendar deductible, but HMO plans with deductibles for certain covered benefits, such as hospitalization, are becoming the standard. All PPO plans today require a calendar deductible.

Some covered benefits may have a separate calendar year deductible. One benefit that commonly has a separate deductible is brand name prescription drugs. When a benefit has a separate calendar year deductible, the plan's deductible does not additionally apply to the benefit. Basically, the calendar year deductible tells you how much each year you will be responsible for paying toward your covered medical expenses before the insurance company begins paying their share.

Some insurers offer a calendar year deductible "roll-over" option, which allows any amounts paid toward the deductible at the end of the year to apply toward the following year, if the deductible was not met in that year. The length of time for this roll-over benefit may vary from those insurance companies that offer this. Some may roll-over the last month, while others may roll-over the last quarter.

Overall, it is very important that you understand how your calendar year deductible works under your particular insurance plan. In addition, this is something that our office can help you understand better should you have any questions.

Written By Constance Lemere, Vice President

National Bank of Arizona

Its not news that we're all facing challenges here in Arizona, but we do need to point out what we're doing about it. As winner of the 2008 lender advocacy award, National Bank of Arizona is invested in Arizona's small business community, and will make funds available to help businesses build and/or grow their business. National Bank of Arizona takes pride in the growth and success they have achieved over the past two and a half decades, but they are most proud of the countless customers they have served in reaching their business goals. National Bank of Arizona recognizes that small business is critical to the economic recovery and building of Arizona's future. A small business administration loan from National Bank of Arizona could be exactly what you need to get started, get through these tough times, or take your business plan to the next level. With over 75 branches in 55 communities, the National Bank of Arizona is strong enough to serve you, but small enough to know you.



National Bank of Arizona. Partnering with customers to achieve their goals - today, tomorrow, together. Member FDIC.

Written by Jon Newman, Marketing Communications Manager

AZ Blue Helps Members Get the Facts About the Flu



azblue.com/flu Helps Members Get the Facts, Not the Flu

New Web site helps members prepare for flu season

For Blue Cross Blue Shield of Arizona (BCBSAZ), keeping our members healthy is a company priority. That's why today we launched azblue.com/Flu, a Web site dedicated to giving you the information you need to help address the concerns of the upcoming flu season.

You might already know that the federal government is paying for the cost of the H1N1 vaccine, and BCBSAZ will cover the service to administer the shot. The H1N1 flu shot is a covered service under your benefit plan, just like other immunizations. As with any medical treatment, you should always consult your doctor prior to receiving any care or treatment.

If seeking only a seasonal flu shot, consider visiting one of the community flu clinic locations throughout Arizona. A list of those contracted flu clinics is available on www.cir.org.

On azblue.com/Flu, you can get additional information on:

- Measures you can take to help prevent the flu for you and your family
- Links to seasonal flu shot clinic locations
- Updates from local and federal health authorities
- The latest on Blue Cross Blue Shield of Arizona's efforts to spread the word about stopping the spread of flu
- Answers to common flu questions

Visit azblue.com/Flu today and learn the facts on flu prevention and flu season readiness.

Katelyn Sandoval, Admin Asisstant

Long Term Care insurance: What's it all about?

As the specialist in Long Term Care insurance and Medicare for Employee Benefit Exchange, I have enjoyed meeting many of you. It has become very clear that there are a lot of questions about Long Term Care insurance, what it covers, when to consider this type of insurance and if, in fact, you really need this type of insurance. For the next few months I will devote my articles to addressing some of these areas.

First, what is Long Term Care insurance? It is the type of coverage that will pay for someone to take care of you when you can no longer take care of yourself due to illness, injury or advanced age.

When you start to do long term planning we all start to think about the "what if's" in life and how would we pay for it if it happens. Some people look at their assets and feel that they can afford to pay for this type of care themselves, others refuse to address it and say "this is something that will not happen to me". If we are truly planning for the future, this must be in the long term planning because if you live to an advanced age there is a very high probability

that you will need some type of care. Have you planned for the "what if's" concerning long-term care?

A question I am asked frequently is, "Doesn't Medicare cover Long Term Care?" I would like to explain why there is some confusion. If you are 65 on Medicare Parts A and B and you go into the hospital for 3 or more days and need to go to a nursing home for care that requires a nurses attention, Medicare will cover the first 20 days 100% and from the 21st day to the 100th day Medicare pays everything except \$133.50. After the 100 days, you are paying out of your own pocket unless you have Long Term Care insurance if the care is custodial, which is care that no longer requires a nurse.

Most people do not even start thinking about this insurance until they are in their 50s and often times they feel they can wait until they retire to look at it, but actually the younger you are the more reasonable the rates. Don't delay in giving thought to this type of insurance.

Next month I will go over what these policies cover, how you access the benefits and how you can design a policy to fit your budget.

I wish you all good health and a very Happy Thanksgiving.

Cheryl Mixon

Don't forget to check out our facebook and twitter pages!

twitter: <https://twitter.com/EBXAZ>
facebook: <http://tinyurl.com/ebxfacebook>

Want to be "in the know" every month?



Sincerely,

Employee Benefit Exchange

We go beyond your expectations!

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