



The Idea Exchange EBX Newsletter

October 2009

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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!

Health Care Modernization Update as of 10/20/2009

On October 13, 2009 with a vote of 14 to 9 the Senate Finance Committee passed their health reform bill titled S.1796 <http://finance.senate.gov/press/Bpress/2009press/prb101909.pdf> This bill is 1,502 pages. The CBO estimates this bill would cost \$829 billion over 10 years. To pay for the cost of the bill, the Committee places a 40% excise tax on "high value" employer - based plans valued at over \$8,000 for individuals and \$21,000 for families. It also reduces provider payment rates under Medicare, places annual fees on pharmaceutical companies, medical device manufacturers, and health insurers. Health Insurers already pay "State Premium Taxes" which is passed on to the insured. This would in effect add additional Federal Taxes to the premiums of insurers and increase premiums to insured's.

This bill, s.1796 will need to be reconciled with the other 4 bills that have been proposed before it is voted on by the full Senate. Here are details of the bill;

- Coverage Mandates, Penalties, and Subsidies: In 2013 individuals would be required to have health insurance coverage through a Grandfathered Plan, or a large employer group, a government program such as Medicaid, Medicare, and VA, or through an individual or small group plan that meets or exceeds minimum requirements. If requirements are not met, a penalty will be imposed.
- Waivers of the penalty would be allowed for Native Americans, those with religious objections, and individuals with a financial hardship defined as premiums that exceed 8% of income. The penalty would be effective in 2014 and phased-in over five years to a maximum of \$1,500 per family.

Admin Assistant



**Jason Holmes,
Group Broker**



**Marisa Bobadilla,
Customer Service Rep**



**Allen Crowder,
Sales**



- Individuals would be eligible for premium and cost-sharing subsidies if they are at 400% of the federal poverty level (\$88,000 for a family of four).

- Employers would not be required to offer health insurance coverage, but those with 50 or more employees not offering coverage would be required to pay a fee for employees obtaining a subsidized plan through a state Exchange. Low wage employers (average salary less than \$40,000) with 25 or less employees would be eligible for 50% premium credit for two years.

- Benefit Plans: Individuals and small groups (employers with employees of 1 to 50 increasing to 100 by 2015) would have a choice of up to five plan types. Bronze, Silver, Gold, and Platinum. There is also a " Young Invincible " plan for adults under age 26. Individuals between 133% and 200% of the federal poverty level without access to employer-based coverage would be enrolled in a state-negotiated "Basic Plan" where available. Large employers would be required to eliminate cost-sharing for preventive care, limit out of pocket spending to H.S.A. limits, and not impose unreasonable annual or lifetime benefit limits. Wellness incentives up to 50% of the cost of coverage would be allowed for employer-based plans.

- Insurance Market Rules: Insurance market reforms would require guarantee issue, prohibit pre-existing condition exclusions as well as premium variances based on health status. It would also prohibit premium variations based on tobacco use, age, family composition and geography. National Plans could also be established to make uniform benefit packages not be subject to state benefit mandates, unless states elect to opt-out of the program.

- State Exchanges, and Co-OP's: The bill establishes state-based Exchanges to help individuals and small groups compare plans, receive subsidies, and purchase coverage starting in 2013. States would continue to oversee health plans offered through these Exchanges. The bill also creates new CO-OP's (defined as a non-profit, member -governed health insurer) to provide coverage in the individual and small group markets. Federal Funding (\$6 billion) would be available from 2012 to 2015 for start-up loans and solvency grants for CO-OP's not already in existence.

- Medicaid and the Children's Health Insurance Program (CHIP): By 2014, Medicaid eligibility would be expanded for all individuals, including childless adults, up to 133% of the federal poverty level and states would receive additional federal funding to cover these populations. States could transition this population into the Exchanges. States would be required to maintain existing Medicaid eligibility levels. States would also receive additional federal funding to cover kids under the CHIP plan, but would be allowed to transition CHIP enrollees to the Exchange if they run out of their allotment of federal funds.

- Medicare: The Finance Committee bill would reform the payment structure for Medicare Advantage by reducing payments, providing financial incentives for care coordination programs and create a competitive bid process. Pharmaceutical manufacturers would provide a 50% discount for brand name drugs purchased in the "Donut Hole" or coverage gap under Part D and the income subsidy exclusion for employers who maintain prescription drug plan for Part D eligible retirees would be eliminated. Annual

provider payment updates would be reduced for Medicare Part A and Part B and an independent Medicare Commission would be established to recommend policy changes to limit the rate of growth in Medicare spending.

Bottom line estimation of the impact of this legislation; Price Waterhouse Coopers has reported the following; The four components of the Senate Finance Committee bill, 1) Insurance market reforms with weak coverage requirement, 2) a new tax on " High Value " employer-based health plans, 3) Medicare provider payment cuts shifting costs to private plans, and 4) new taxes on pharmaceutical companies, medical device manufacturers, and health insurers, would increase insurance premiums by 49% in the individual market, 28% in the small group market, 11% in the large group market, and 9% for the self-insured employers. Also both studies conclude that strong incentives for all Americans to have coverage are critical to ensure that insurance market reforms do not encourage the young and healthy to forgo coverage because it is not mandatory resulting in sicker risk pools and higher premiums for everyone else. The increases also are caused by coverage's being in effect until 2013 by funding for these plans beginning immediately.

(This information was gathered from articles from NAHU, and United Healthcare. For more information go to www.unitedhealthgroup.com/reform)

Phil Bobailda, President

The EBX Shoe Drive

The EBX Shoe drive for local homeless and displaced Veterans has turned out to be very successful. We have gathered over 100 pairs of new and gently used shoes. We are so blessed to have so many generous clients and friends of EBX. Thank you to everyone who willingly participated in our outreach.

We would also like to send out a BIG thank you to two of our clients that donated the most shoes for our cause. Thank you to Ahwatukee Foothills Montessori and Botanicare. Both of these clients collected more than half of the shoes in our drive. So again, Big thank you's are sent out to Jan Vickery, Owner of Ahwatukee Foothills Montessori and Kayla Sharp, President/Owner and Lisa Hill, HR Manager of Botanicare. Thank you for all your support and generous efforts.



Pictured here: Phil Bobadilla, Jan Vickery, Constance Lemere



Pictured here: Jan Vickery, owner of Ahwatukee Foothills Montessori, and children from school.

National Bank of Arizona

Ever thought about what you could offer your employees to thank them for their service? National Bank of Arizona has developed an InGroup Banking program - a premier suite of banking products and services your employees can only get through employment with your company. Use it as tool to help attract and retain great employees and earn benefits for your business. Together we will develop a simple plan for delivering the program's benefits to your employees, including convenient enrollment days at your workplace and ongoing communication with a personal banker. To name a few of the benefits your employees are entitled to, interest with direct deposit, free nationwide ATM access, no minimum balance requirement or monthly service fee on both checking and savings, free checks, 1.00% cash back on a credit card, loan discounts, no fees for cashier's checks or travelers cheques, and much more! In addition, you will always have access to a personal banker and will never get caught up in an 800 number loop.



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

Written by:
Jon Newman
Marketing Communications Manager

October is Breast Cancer Awareness Month

According to the American Cancer Society, breast cancer is the most common cancer found in women in the United States, next to skin cancer. Although this is a very serious disease, especially to older women, doctors are starting to catch the disease earlier and are developing more effective treatments, which leads to a better chance of surviving.

Step one, get a mammogram! Early detection of breast cancer is key to saving thousands of lives each year. A mammogram is a very important tool in increasing the chance of survival in women. It is an X-ray of the breast that's used to detect breast changes in women who have no signs or symptoms of breast cancer.

Use this three-step plan to ensure the best chance of detecting cancer early:

1. conduct self breast exams
2. visit a healthcare provider on a regular basis for clinical breast examinations
3. have a baseline mammogram at 35 and every two years beginning at 40.

Make sure to schedule an appointment with your healthcare provider to start your journey in the fight against breast cancer. Also, call EBX at 480-839-6100 to ask about how your insurance carrier covers your doctor's visits and mammogram screenings!

Resource: Arizona Blue Magazine, Summer 2009.

Katelyn Sandoval, Admin Assistant

Accomplishments & Announcements

Congratulations to ABC Plumbing!

We wanted to extend our congratulations to Marie, Bill and all the family at ABC Plumbing and Rooter for winning the US Commerce Award for "Best in Plumbing".

This is the second year ABC Plumbing has been awarded this special recognition.

This is truly a great accomplishment and everyone here at EBX is very proud for you. Job well done!

Congratulations to Ahwatukee Foothill Montessori and Botanicare!

You are our winners for the shoe competition! You both gave the most shoes and we just wanted to thank you for helping in our cause. We greatly appreciate your help in gathering shoes and your commitment to helping the community.

Thank you to all our other companies who participated as well! Because of all the support from everyone, we have four boxes filled with shoes for the veterans! We feel honored to have such great clients.

**Sincerely,
The EBX family**

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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