



The Idea Exchange EBX Newsletter

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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!

Phil's Article

Healthcare reform cost trends for 2010 and 2011. Strategic Planning is key.

According to articles we have read from Kaiser Foundation and PricewaterhouseCoopers; Medical costs are expected to increase by 9 percent in 2011.

Among the top planned design changes, employers noted they will be looking at Wellness Programs and Increase Cost-Sharing with Employees.

Of Employers surveyed, 42% said they will increase medical cost-sharing, 33% will expand and improve their wellness programs, and 26% said they will increase prescription drug cost sharing.

The reports also identified 3 Key Planning Tools that will help in reducing these costs.

1. Employers are planning to move away from co-pays and look more at co-insurance increases.
2. High Deductible plans represent 12% of Employers.
3. Copay or deductibles on Brand Name



**Katelyn Sandoval,
Admin Assistant**



**Jason Holmes,
Group Broker**



Medications will also help. Generic Drugs now represent 80% of all prescriptions according to these reports. According to these articles, drugs worth about \$26 billion in annual sales are expected to lose their patents in 2011.

COBRA enrollment has increased employer costs as renewal rates are calculated with COBRA eligible beneficiaries on the plan. Because of federal subsidies and rising unemployment, COBRA enrollment doubled in 2009 to 38%. This COBRA subsidy was not extended in the most recent session. This could reduce claims exposure calculations for group medical plans.

PricewaterhouseCoopers' noted that hospital and physician costs make up 81% of premium costs, and will be the cause of inflation of medical costs in 2011. Therefore employers would be wise to review copay's and wellness benefits while looking at selecting HRA documents that help to fund part of a higher deductible and or coinsurance out of pocket maximum for employees.

Strategic Planning Sessions with our clients have revealed that only 25% of employees on an employer sponsored program have met their deductible or had expenses that go toward their out of pocket expense. In my personal opinion, this planning tool (HRA's) can help to keep increases to your benefit plans trending at the lowest possible percentage.

Phil Bobadilla, President

**Allen Crowder,
Sales**



Del Ann Norvelle,



Constance's Article

The Importance of Communicating Employee Benefit Programs to Your Employees

As many of you know it is not an easy task to make a decision on what insurance plan fits your employees needs and likes. In addition to the employees accepting and seeing value for the plan, many hours are put in on your behalf to review various plan options, pricing and overall competitiveness of the program for your group. After all these steps and time consumers shouldn't make the fatal mistake to overlook conducting employee orientation/informational meetings of your employee benefit programs. According to MetLife's 8th Annual Study of Employee Benefit Trends they have found that not only is it important but it is critical to your employees overall employment satisfaction. By taking the time to communicate the company benefits show that you as an employer care about your employees and their insurance needs. It reflects that you as an employer want the employee to understand the plans that are available to them not only to be informed but to properly utilize their benefits when needed to the fullest extent.

Effective benefits communication is linked to improved benefits satisfaction, which in turn is linked to improved job satisfaction. Again, communications that clearly explain and reinforce the relevance and value of benefit programs to each employee at least on an annual basis optimize the value of the benefit program offered by the employer.

The Study also revealed that of those employees who felt their employer communicated their benefit programs effectively and took the time to educate them about their overall benefits; eight (8) in ten (10) were also 1.) satisfied with their benefits; 2.) satisfied with their jobs and 3.) felt loyal toward their employer.

It is also interesting to compare how more effective communications may improve employee participation in wellness programs. Providing access to health and wellness programs can be an important win-win for employers and employees alike as healthy employees mean less serious claims and less utilization. A healthier group will impact company plan renewals in a positive way hopefully minimizing the increase on annual premiums.

Employee communication meetings are a service that is automatically included in your services provided to you by EBX if you are a client of our Agency. If you are not a client and your Broker is not conducting at least an annual benefits communications meeting then we definitely encourage your to give our firm a call.

So the next time you think your employees don't have time to spend in a benefits communications meeting your better think again. The hour is worth both your and

your employee's time.

Constance Lemere, Vice President

Why Have a Budget?

Budgeting in this economy is more important than ever. A budget shows you exactly where your money goes and provides a spending plan to meet your monthly obligations. In addition, a budget lets you plan for things that are important to you: a new house, a new car, debt reduction, a comfortable retirement, a college education, travel, or whatever your particular goals and dreams happen to be.

National Bank of Arizona wants to help you attain those goals; that's why we offer a free online budgeting tool, National Bank of Arizona EZ Budget. This free, easy-to-use resource will help keep your finances organized and on budget. Plus, it offers customized planners for special projects, events, gift giving and more. Visit www.nbasezbudget.com to register for this free resource and start your budget today.



Quick Fact

12.0% was Arizona's record high unemployment rate in January 1983. The state's record low was 3.3% in May 2007. Unemployment in Arizona currently stands at 9.4%.

Natalie Fantus, Consumer Sales

10 Money Saving Travel & Vacation Tips!

The American vacation is becoming more and more expensive. Here are ten common sense tips to help you save money on your next vacation.

- **Rent a car.** What sounds expensive can actually often save you money. Consider renting a car instead of using the airport shuttle. Many times the cost of the shuttle is more than that of a modest car rental - and you have the flexibility of having available transportation. Also, if you are driving to your destination, renting a car instead of using your own vehicle is often cheaper than the extra wear and tear on your own car. Take advantage of coupons to upgrade to a larger, and more comfortable, vehicle.
- **Eat breakfast where kids eat free and split meals.** This can mean an enormous saving for a family of four or larger. Children are many times too excited or tired to eat much at a time. Restaurants that are kid friendly are more than happy to accommodate special requests for extra plates.
- **Eat lunch in your room.** You'll be surprised how good a peanut butter sandwich, chips, and fresh fruit tastes away from home, and everyone gets a needed break from the heat and crowds of tourist destinations.
- **Take advantage of coupons.** Whether it is for lodging, food, or attractions - coupons SAVE money! Find them everywhere... online, in local newspapers, at convenience stores, motels, etc. Always read the fine print carefully for terms of the coupon.
- **Bring your own stroller.** This can save \$12 to \$15 a day at some of the attractions.
- **Bring along individual refillable water bottles.** These can be refilled at the hotel and at attraction water fountains. A family of four could easily spend \$20 or more a day buying water.
- **Take advantage of multi-day passes at the attractions.** This is especially a good deal when they can be used anytime.
- **Make your own reservations.** Many hotels and airlines offer additional discounts and

specials for booking online.

- **Give each child a set amount to spend.** You can tame the "gimmies", and your pocketbook at the same time, by giving children a pre-set spending limit for souvenirs. Also, invest in an autograph book (about \$6 at most attractions) and watch the fun as the children collect the "autographs" of their favorite characters.
- **Spend the day away from the attractions.** You're paying for that hotel swimming pool... use it! Spend the day at the beach or a nearby museum. The shopping areas near the major attractions (like Downtown Disney) have children's play areas, providing an inexpensive day of fun for the little ones.

From [About.com](#).

Katelyn Sandoval, Admin Assistant

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