



The Idea Exchange EBX Newsletter

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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 Bobadilla,
President**



**Constance Lemere,
Vice President**



Make a Strategic Plan!

Since the passage of the "Healthcare Reform Bill" our agency has made it a priority to begin to interview each of our clients to make sure we have an understanding of the changes that are proposed. Initially, there are some very good things that will be implemented, these items are:

A. Tax Credits will be granted to some small employers for a part of the health insurance premiums that the employer pays. Your business will be receiving a post card from the IRS to explain this credit and also direct you to their web site for a Q&A to answer your questions (www.irs.gov); you can also call our office for more information. Beginning in the year 2010 through 2013, the IRS will provide a tax credit of up to 35% for small businesses and 25% for tax-exempt organizations that provide health insurance for their employees. In 2014 the tax credit will increase to 50% and 35% for tax exempt organizations. You will need the advice of your CPA or other tax professional and our office can help provide you with other information you will need to decide on whether to take the tax credit or the premium deduction when you file your taxes for 2010. It is a good idea to do strategic planning now so that you will have your answers by year end.

B. For plan years on or after September 23, 2010 other requirements include:

**Katelyn Sandoval,
Admin Assistant**



1. Prohibition on pre-existing condition exclusions for children under age 19.

2. No lifetime or annual benefit limits on what is termed "essential health benefits" (yet to be determined).

3. Carriers will have a prohibition on recessions (being able to withdraw a plan after it is issued).

4. Eliminate "cost sharing" for certain preventive type services.

5. Extension of dependent coverage to age 26.

6. Prohibit discrimination in favor of highly compensated individuals within fully insured plans.

7. Improve appeals process.

**Jason Holmes,
Group Broker**



C. As for reducing costs further, this is just the beginning of your strategic planning process for the real changes that are coming for 2014. If the bill remains as passed, there will be requirements for record keeping, mandated coverages, design changes, and tax burdens. You have been dealing with these types of things in your insurance reviews that are done once a year for your renewals, but they haven't included a strategic three to five year plan of action. Our questionnaire will ask:

1. Will your employee hiring in the next 3 years increase, decrease, or stay the same?

2. Demographically, what will your work force look like? Ages, sex, family status, etc. insurance needs to attract and retain your work force.

3. Will your company have an H.R. Dept. or will you be looking at outsourced items like:

1. Payroll
2. Communication of employee benefits to employees
3. COBRA, FMLA, Flex Spending Accounts, H.R.A or Personal Care Accounts
4. Employee handbooks, second paycheck announcements
5. Safety meetings, wellness meetings, health fairs
6. Voluntary, employee paid benefits such as dental, life insurance, vision, accident, etc.

**Marisa Bobadilla,
Customer Service
Rep**



**Allen Crowder,
Sales**



We know we are going to have reform change. Waiting until 2014 to make plans is not something I would recommend. A three year strategic plan makes more sense, especially when planning your future overhead costs. A profitability projection needs the correct estimates. If you would like your review this year, please call your agent to make an appointment.

Extension of Dependent Coverage to Age 26

The Patient Protection and Affordable Care Act signed into law in March 2010 requires private insurers that offer dependent coverage to children to allow young adults up to age 26 to remain on their parent's insurance plan.

Extending dependent coverage has received a great deal of attention because it is one of the first provisions that goes into effect and because it increases the availability of health insurance to a population that currently has a high uninsured rate.

Who is eligible for the extension of dependent coverage?

The health reform law will allow qualifying young adults whose parents have private group and non-group health coverage to remain on their parent's insurance policy up to age 26. Recently issued regulations specify that a young adult can qualify for this coverage even if he or she is no longer living with a parent, is not a dependent on a parent's tax return, or is no longer a student. Both married and unmarried young adults can qualify for the dependent coverage extension, although that coverage does not extend to a young adult's spouse or children. The law also states that young adults can only qualify for dependent coverage through group health plans that were in place prior to March 23, 2010 if they are not eligible for another employer-sponsored insurance plan. In other cases, a young adult can choose to remain insured through a parent's dependent coverage even if the young adult is eligible for other employer-sponsored coverage.

When will young adults be able to take advantage of this coverage and what should they do if they want to sign up?

The dependent coverage extension takes effect on September 23, 2010, six months after the health reform law was enacted. At that time, when insurance plans start a new plan year, they will have to abide by the new dependent coverage rules. The law stipulates that the dependent coverage extension is effective for new plan years beginning on or after September 23, 2010. However, a few carriers such as BCBS of Arizona, Aetna, United Healthcare and Humana have said that they will begin to make the extension of dependent coverage available as soon as June 1, 2010 for individuals who would otherwise lose coverage.

Parents must be provided with a written notice to the carrier for their young adult children to re-enroll in a parent's coverage by the first day of the plan year that starts on or after September 23, 2010. Insurers must give young adults at least 30 days from the date of the new plan year to decide to enroll in the plan. Before the new plan year begins, insureds should contact Employee Benefit Exchange or the insurance carrier for information about when their next insurance plan year starts and whether their insurer is allowing young adults to remain insured through dependent coverage before the new law takes effect.

What happens to young adults with a pre-existing condition who join a parent's insurance plan?

Uninsured young adults with a pre-existing condition who join a parent's employer-sponsored coverage plan may face a pre-existing condition exclusion of up to 12 months if they were uninsured for 63 days or more prior to gaining coverage. Young adults joining a parent's individually purchased policy may also face a pre-existing condition exclusion. In this case, insurers can exclude coverage of pre-existing conditions to the extent that it is allowed by state laws governing health insurance policies purchased by individuals. However, starting in 2014, pre-existing condition

exclusions will no longer be permitted in either employer-sponsored or individually purchased health plans.

As always, please call Employee Benefit Exchange for further information pertaining to this topic or if you have any further questions.

Constance Lemere, Vice President

How To Stay Safe in the Sun: Sunscreen Myths

Myth 1: Sunscreen is all you need to stay safe.

"Sunscreen is only one part of the sun-protection picture," explains Francesca Fusco, MD, an assistant clinical professor of dermatology at Mt. Sinai Medical Center in New York. "Just slathering it on and doing nothing else isn't going to cut it because, even with sunscreen, there's still up to a 50 percent risk that you'll burn." You also need to seek shade between 10 a.m. and 4 p.m. when sunlight is strongest; cover up with clothing, a broad-brimmed hat, and UV-blocking sunglasses; do regular skin self-exams; and get a professional skin evaluation annually.

Myth 2: SPF measures levels of protection against both UVB and UVA rays.

The SPF (sun protection factor) measures only the level of protection against UVB rays. But several of the 16 active ingredients approved by the Food and Drug Administration (FDA) for use in sunscreens also block or absorb UVA rays, says Warwick L. Morison, MD, professor of dermatology at Johns Hopkins Medical School and chairman of the Skin Cancer Foundation's Photobiology Committee. Ingredients include: avobenzone (Parsol 1789), octocrylene, titanium dioxide, and zinc oxide, as well as the recently approved Mexoryl SX. Make sure one of these is in your sunscreen, or look for products labeled "broad spectrum," which means they protect against UVB and UVA rays.

Myth 3: Some sunscreens can protect all day.

"Regardless of the SPF or what the label says, sunscreens must be reapplied every two hours," Fusco says. "The active ingredients in most products begin to break down when exposed to the sun." Only physical blockers like zinc oxide stay potent after two hours, but not all sunscreens are made with these ingredients.

Myth 4: Some sunscreens are waterproof.

The FDA does not recognize the term "waterproof," so don't count on sunscreen to last through hours of swimming. The agency does recognize "water/sweat/perspiration resistant" (which means a product offers SPF protection after 40 minutes of exposure to water) and "very water/sweat/perspiration resistant" (which means it still protects after 80 minutes). To be safe, reapply sunscreen after swimming or sweating.

Myth 5: A sunscreen can provide "total sunblock."

"No sunscreen blocks 100 percent of UV rays," Fusco says. An SPF 15 protects against 93 percent of UV rays, SPF 30 protects against 97 percent, and SPF 50 wards off 98 percent. You should slather two tablespoons on your body a half-hour before going outside, so the sunscreen has time to absorb into your skin.

Information from: <http://living.health.com/2008/05/09/how-to-stay-safe-in-the-sun/>

Katelyn Sandoval, Admin Assistant

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

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

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Sincerely,

Employee Benefit Exchange

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