



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!

Cancellation of Group Health Insurance Coverage (Rescissions)

The Departments of Health and Human Services, Labor, and Treasury released interim final regulations and guidance for handling retroactive terminations. This regulatory guidance is summarized below.

The Patient Protection and Affordable Care Act of 2010 (PPACA) prohibits health insurance carriers and group health plans from rescinding coverage (rescissions) except for cases involving fraud or intentional misrepresentation of material fact.

A rescission is defined as a cancellation or discontinuance of coverage that has a retroactive effect, except to the extent attributable to failure to pay required premium/contribution.

This prohibition on rescissions applies to single individuals or individuals within a family. This means plan sponsors and insurers can only terminate a member's coverage retroactively in specific circumstances. This affects all plans that are subject to the health care reform law, regardless of funding or grandfathering status. It is in effect as of each **plan's first renewal or effective date after September 23, 2010.**

Here's what you need to know about the new rules concerning administrative retroactive terminations:



Del Ann Norvelle,
Customer Service



Blanca Mares,
Customer Service



The plan sponsor can't terminate coverage effective with a date in the past if:

- The member was covered through plan error, and
- The member paid premium or contributed to the cost of the plan.

In these cases, the plan sponsor can only terminate the member's coverage with a future effective date of termination.

The plan sponsor may terminate coverage retroactively as part of a monthly reconciliation of eligibility data if:

- The member did not pay any premium or contribution for coverage past the termination date.

The plan sponsor also may terminate coverage retroactively in cases of fraud or intentional misrepresentation. In these cases, a 30-day written notice of coverage termination is required, and the rescission of coverage may be appealed. (Some Carriers will handle this notice for insured plans upon notification. Self-funded plans must administer this notice.)

Here are some examples:

- The plan sponsor finds it mistakenly enrolled a part-time employee who was not eligible under its plan. The employee paid premium/contribution, received medical services and submitted claims. Under the new law, **the plan sponsor can terminate this employee's coverage, but only with a prospective (future) termination date.**
- A member's employment was terminated, and the employee did not make any payment of premium/contribution toward his benefits after he left the job, but the insurance carrier was not notified about termination of coverage until a few weeks later. **In this case, the plan sponsor may terminate benefit coverage as of the employment termination date.**
- The plan does not cover divorced ex-spouses, but an employee failed to notify the plan sponsor about a divorce for a period of time. **As long as the employee or ex-spouse did not pay premium/contribution toward the benefit, the plan sponsor may terminate the ex-spouse's coverage retrospectively.**

Some Carriers may handle their retroactive terminations under the new rules in this way:

If a plan sponsor submits a retroactive termination to their insurance carrier, (or if we submit it on the customer's behalf), it must ensure that employees/dependents did not pay premiums/contributions during the retroactive termination

time period.

When retroactive terminations are submitted, carriers can regard the submission as verification that no premium/contribution were paid by the member/dependent for that period.

Each insurance carrier's policies related to time limits for retroactive terminations need to be considered.

To Summarize

The Patient Protection and Affordable Care Act of 2010 (PPACA) prohibits health insurance carriers and group health plans from rescinding coverage (rescissions) except for cases involving fraud or intentional misrepresentation of material fact.

A rescission is defined as a cancellation or discontinuance of coverage that has a retroactive effect, except to the extent attributable to failure to pay required premium/contribution.

This prohibition on rescissions applies to single individuals or individuals within a family, or an entire group of individuals. For additional information, please see the following websites or contact our office at 480-839-6100.

- www.healthcare.gov
- <http://www.dol.gov/ebsa/faqs/faq-aca2.html>

Phil Bobadilla
President

My Personal Experience with an Aging Parent

Recently I have had the unfortunate hands-on experience of dealing with my aging mother. She recently came to visit me from Michigan about a month ago, and her visit has turned into a medical financial nightmare. I never thought that I would find myself in a role reversal situation of having to take care of an aging parent. As a child you always knew your parents would grow old; however, I always assumed that my mother would age with grace and dignity. About two years ago my mother was diagnosed with mild dementia and my siblings and I thought it really wasn't a big deal. Our thought was, "so mom is getting older and has a slight problem with short term memory", not a big deal, we could live with her periodic forgetfulness. In early January of this year, mom's dementia went from mild to moderate which created a whole new ball game for her and our family. We are now faced with having a mom, that was completely independent, to becoming co-dependent on her family and is terrified to learn what the future may hold for her. It's almost as if she knows something is not quite right but she

can't place her finger on it.

I began looking into Assisted Living facilities and found many beautiful places here in the Valley; however, I was in complete sticker shock to learn how expensive they are per month. The least expensive facility I found was \$2295 a month and they range all the way up to \$5500 a month. Unfortunately, mom does not have that kind of money. At this time we will need to find a way to pay for her care between my siblings and me. However, if mom would have purchased a Long Term Care policy 15 years ago, she would be able to afford superior care now in her elder years and not feel that she has become a burden on her family.

I have learned a very valuable lesson during this process over the last month. It is so important to have a Long Term Care policy in place for yourself. Many of us think that our spouse will care for us; however, in my mom's situation, my dad passed away 8 years ago. She now needs help and care and what is not covered by Medicare has to be covered through private pay; which can add up very quickly!

When should you seriously start looking to purchasing a Long Term Care Policy? In my opinion, age 55 is an excellent time to seriously start shopping for a policy. Typically at that age you are still healthy and it will be less costly than waiting 10 years down the road to purchase and or qualify for a policy. When looking for a Long Term Care policy, make sure your policy allows for inflation. Medical care will only rise over the years so you want to make sure your policy takes such costs into effect.

If you are interested in learning more about Long Term Care please feel free to give me or my office a call. We buy insurance to protect our homes, vehicles, boats and other prized possessions, why not protect yourself in your elder years? YOU need to take charge of the type of care you want to have for yourself. Don't put your children down the road in the overwhelming predicament of financially caring for you in your elder years.

Vice President
Constance Lemere

Life Events Legal Plan Title 2 Motor Vehicle Legal Services

Have you ever received a traffic ticket? What did you do? Did you know what your rights were and what you needed to do? Too many times our answer is, "I don't know what to do". With the Life Events Legal Plan those days are over. Just pick up the phone and call the provider law firm. They will tell you what you must do and even appear on your behalf if you have to go to traffic court.

Moving Traffic Violations

The attorney will assist you in defending a speeding ticket or other moving motor vehicle

violations.

Accidents

The attorney can help with your defense if you or covered family members are charged with Manslaughter, Involuntary Manslaughter, Negligent Homicide, or Vehicular Homicide, at no added cost to you.

People always tell me that they have auto insurance, did you know not any of the 2300 auto insurance companies in the USA cover you for your legal items previously stated above. We cover you right or wrong and will represent you when charges are brought against you or your covered family member. Do you have teenage drivers or anyone in your family drive like a teenager? You need the Life Events Legal Plan.

A lawyer will help you with other vehicle related issues.

Attorney time is available for help with damage recovery, driver's license issues, or personal legal injury assistance up to 2.5 hours at no added cost to you. Also minor property damage collection and personal injury damage collection of \$2000.00 or less.

People always tell me that they are honest and don't break the law so why would they need an attorney. Only criminals need an attorney! That just isn't the case. Do you always know what the speed limit is when you are driving. Or will the car behind you stop or run into you? You just don't know! Who would you call if you were in an accident? How about calling your attorney and it not going cost you any more than your monthly plan.

Ted and Janie Northrop

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A Good Diet Includes Many Cancer-Fighting Foods

Losing weight can help reduce your risk of cancer if you're overweight or obese, but not all diet plans are effective in lowering that risk, an expert says.

Diets that help protect against cancer are those that encourage long-term changes in eating habits and also provide a variety of options from all food groups, explained Daxaben Amin, a senior clinical dietitian in the clinical nutrition department at the University of Texas M.D. Anderson Cancer Center.

The Mediterranean-style diet promotes a life-long commitment to good nutrition and also meets many of the dietary guidelines for preventing cancer and heart disease, including:

- Plenty of fruits, vegetables and other plant-based foods.
- Using herbs and spices to flavor foods instead of salt.
- Limiting consumption of red meat and alcohol.
- Using healthy fats such as olive and canola oils instead of butter.
- Eating fish and poultry at least twice a week.

Another good diet is the whole-body type of diet, which involves eating six to seven small meals a day instead of the usual three large meals. It offers the following cancer prevention benefits:

- Fruits, vegetables and whole grains in at least half your daily meals.

- Limiting foods high in fats.
- Eating lean protein.
- Daily physical activity.

"Diet plans that encourage short-term change usually don't provide the nutrients your body needs on a daily basis. These diets make our 'bad' list," Amin said in a cancer center news release.

Gluten-free diets are becoming popular but people shouldn't go gluten-free unless they have celiac disease, Amin advised. Going gluten-free means avoiding foods with whole grains, which are high in fiber, vitamins and minerals -- all of which protect cells from damage that can lead to cancer.

Carbohydrate-free diets are another bad choice. Completely eliminating carbohydrates deprives the body of its primary source of energy and of some important cancer-fighting foods -- vegetables, fruits, whole grains and beans.

"Instead of going carb-free, choose your carbohydrates wisely. Pick whole grains rather than cakes, cookies and other foods made with processed or refined grains and sugars," Amin suggested.

More information

The U.S. National Cancer Institute has more about [cancer prevention](#).

Article from: <http://www.womenshealth.gov/news/english/651923.htm>

Dionne Pugh

Benefits/Marketing Specialist

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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