



The Idea Exchange

EBX Newsletter

August 2011

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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!

"The Business Owner's Playbook"

Hello to all of you Business Owners.

Whether or not you have just opened your doors to your new business, are established and growing, or are now thinking of transitioning your business in the near future, we have a helpful guide for you.

The book is published by The Hartford, who knows businesses. The book is broken up into 4 segments. The Emerging Company, The Growing Company, The Transitioning Company and additional information such as Structuring your Company correctly and Business Resources on the Web.

At Employee Benefit Exchange, Corp. our primary goal is to encourage business start up and growth, while educating the Business Owners and their employee with timely information. With that in mind, you may read and or download a copy of the "Business Owner's Playbook"™ by going to www.ebxaz.com and clicking on to the tab that says "The Business Owner's Playbook".

Other topics that this book will address are:

- Finance
- Comparing Healthcare Plans
- Demystifying Business Insurance
- Transitioning a Company
- Different Types of Trusts



You might want to share this link with someone you know who could benefit from its contents. We do have a limited supply of hard copies of this booklet available if you would like one, please contact our office.

Sincerely,
Phil Bobadilla
President

Employers May Want to Consider Self-Funding or Partially Self-Funding their Health Insurance Plans Moving Forward into the Future

**Del Ann Norvelle,
Account Manager**



The dramatic escalation of employee health care costs has prompted many CFOs and HR managers to look for new ways to gain control over premium expenditures and vendor fees. Self-funded employee health care insurance plans are one alternative that can allow firms to reduce and manage their health care costs and improve cash flow while still delivering the health coverage they desire for their workforce.

In self-funded plans, the employer takes on the financial risk of funding their health plan from its assets and becomes responsible for managing and administering the benefit plan.

Self-funded plans are governed by the Employer Retirement Income Security Act (ERISA) and are appealing to employers because of the greater level of flexibility that comes with being able to tailor the plan to their needs with fewer state-mandated features. While firms take on additional financial risk, they are able to limit their total risk through the purchase of a stop-loss policy and benefit from the increased cost savings typical of the self-funded model.

Self-Funding 101

**Blanca Mares,
Benefit Admin
Specialist**



Under a self-funded arrangement, the employer assumes the health plan liability and risk in exchange for more significant control over the plan's administration and funding levels. This differs from traditional fully insured plans where the insurance company assumes the risk, controls the plan administration, establishes reserve capital levels and manages other major decisions concerning the health care coverage provided to company employees and dependents.

When a company elects to self-fund its health plan, it can purchase excess insurance coverage to protect itself from extreme claims and utilization levels. This excess insurance is called employer stop-loss (ESL) coverage. In addition to covering the potential losses inherent with any group benefit plan, ESL coverage provides protection for the entire covered group, reimbursement for medical expenses above a specified dollar amount, and cover for catastrophic and high dollar claims such as transplants, leukemia, renal failure and premature births.

Once the employer secures excess coverage from an insurance carrier, it may contract with a third party administrator (TPA) for claims adjudication, benefit plan administration, oversight of managed care networks (e.g. PPOs) and management of service vendors such as pharmacy benefit managers and disease and case management firms.

**Dionne Pugh,
Benefits/Marketing
Specialist**

Fully Insured Plans vs. Self-Funded Plans

Individual employer needs and circumstances will determine the right health coverage for each company. However, in most instances changing from a fully insured plan to a self-funded plan can allow a company to gain more control quickly over its insurance obligations and benefit requirements.



Characteristics of Fully Insured Plans	Characteristics of Self-Funded Plans
Insurer accepts full risk.	Employer accepts the full risk; however, risks can be mitigated through the purchase of employer stop-loss coverage.
Insurer determines reserve levels.	Employer determines reserve levels with guidance from its employer stop-loss provider.
Insurer manages reserve capital.	Employer manages the reserve capital; employer stop-loss coverage can be purchased to mitigate catastrophic specific or aggregate exposures.
Insurer retains excess reserve and capital at year's end.	Employer retains excess reserves.
Insurer manages and oversees all the service vendors.	Employer manages and oversees all service vendors, thereby exercising more control over the type and quality of care as well as the cost of care provided by the service vendors.

Lower Costs, More Control

The following key objectives are common to companies seeking to self-fund their health care plans:

- Gain control over how insurance premiums are spent, potentially improve cash flow and maintain company health plan reserves for investment.
- Reduce plan operating costs.
- Tailor a health benefit plan to the needs of the company, thus enabling it to attract and retain employees.

Self-funded plans enable employers to better manage and control their health care spending while still being able to tailor a plan with the features desired for its workforce

There are many partial self-funded options that are now available to the smaller size employer group. Most self-insured carriers will insure groups as small as 15 employees. Please give our office a call if you would like to explore the option of self-funding.

Vice President
Constance Lemere

New Guidelines Provide Additional Women's Preventive Care with No Cost Sharing

On August 1, 2011, the Department of Health and Human Services (HHS) released an amendment to the Interim Final Regulations for preventive care under the Patient Protection and Affordable Care Act (PPACA). The amendment applies to non-grandfathered individual insurance policies as well as non-grandfathered insured and self-insured group health plans.

The amendment provides additional guidelines for women's preventive services. Health plans will need to cover women's preventive services, including birth control, without copayments or deductibles. The guidelines reflect the recommendations made last month by the independent Institute of Medicine.

For plan years beginning on or after August 1, 2012, non-grandfathered plans will be required to cover the following additional preventive care services for women with no cost sharing:

- Annual well-woman visits
- Screening for gestational diabetes
- HPV DNA testing for women 30 years and older
- Sexually-transmitted infection counseling
- HIV screening and counseling
- FDA-approved contraception methods and contraceptive counseling
- Breastfeeding support, supplies, and counseling
- Domestic violence screening and counseling

For more detail on the amendment and the additional preventive care services for women, visit: www.hrsa.gov/womensguidelines/.

For more information on the existing PPACA preventive care guidelines, visit:

<http://www.healthcare.gov/center/regulations/prevention/taskforce.html>.

Plans may impose cost sharing on brand name preventive drugs if a generic version is available and is just as effective and safe for the patient to use. Cost sharing would not be permitted on the generic drug.

Religious Exemption

The regulations do not provide for a religious exemption. However, the regulations permit the Health Resources and Services Administration (HRSA) to establish exemptions from these guidelines for coverage of contraceptive services for group health plans of religious employers. A religious employer is defined as an organization that meets **all** of the following criteria:

- The promotion of religious values is the purpose of the organization
- The organization primarily employs individuals who share the religious beliefs of the organization
- The organization primarily serves people who share the religious beliefs of the organization
- The organization is a nonprofit organization as described in the Internal Revenue Code Sections 6033(a)(1) and 6033(a)(2)(A)(i) and (iii).

No religious exemption is available for individual policies; they must cover contraceptives with no cost sharing.

Next Steps

There is a comment period for this amendment that ends October 3, 2011. CIGNA is currently assessing this amendment and potential client impacts. Please continue to visit www.InformedOnReform.com. We will post any new developments to this site.



CIGNA HealthCare

Davis Miles, PLLC: The Provider Law Firm for Pre-Paid Legal Services, Inc.

We would like to introduce you to the Davis Miles, PLLC, which is the Provider Law Firm for Pre-Paid Legal Services, Inc. With approximately 50 attorneys Arizona and New Mexico, they serve the needs of individuals and businesses in many situations including:

**Personal Injury, Medical Malpractice, Premises Liability
Business Litigation, Real Estate Litigation, Contract Disputes, Will Contests
Negotiation and Litigation of Disputes
Contract Preparation, Mergers and Acquisitions
Real Estate Transactions, Boundary Disputes, Purchase and Sales Contracts
Foreclosures, Short Sales
Asset Protection, Wills, Trusts, Probate and Estate Administration
Business Planning, Commercial Transactions, Buy Sell Agreements
Corporation, LLC's, Partnership
Employment Law Issues
Family Law, Child Custody, Divorces, Child Support
Criminal Defense, DUI, Felonies, Misdemeanors**

The main office is located at 80 E. Rio Salado Parkway in Tempe Town Lake. They also have offices in Flagstaff and Prescott, Arizona and Albuquerque, New Mexico.

About Your Membership

Throughout your lifetime you'll face many legal issues. Some will be as ordinary as traffic tickets or property purchase; some as unexpected as a warranty dispute or foreclosure. There will also be important things to take care of, like drawing up your Will, Living Will or Healthcare Power of Attorney. **As a Pre-Paid Legal Member, you can expect to have a lifetime of legal services at your fingertips.** You can count on your Provider Law Firm to assist you with your diverse legal needs when they arise. Legal services are as convenient as picking up the phone and calling the toll free number on the back of your membership card. It's peace of mind you can carry with you wherever you go.

Ted and Janie Northrop

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Save the Date! 5th Annual Innovations in Corporate Wellness



Clearing the Smoke: Cancer, Cannabis, and Compassion

The Wellness Community - Arizona invites you to a dialogue to explore the opportunities of facing cancer in the workplace

The Wellness Community - Arizona invites you to a dialogue to explore the opportunities of facing cancer in the workplace. Learn valuable information on talking to a co-worker with cancer, managing workflow, and how to better support your employees and your business.

Psychosocial cancer support is a critical part of comprehensive cancer care. It is emotional and educational support that allows cancer survivors and their loved ones to achieve optimal quality of life during this difficult time. Returning to work and resumption of normal activities are important goals for cancer survivors and caregivers.

Please Join Us!

Thursday, August 25, 2010

7:30-8:00 a.m.

Registration and Complimentary Continental Breakfast

8:00-10:00 a.m.

Speaker's Panel and Dialogue

Emcee: Angela Gonzales, Phoenix Business Journal

Panel Topics:

- AN UPDATE ON LEGAL ISSUES: Medical Marijuana Act and Employees with Cancer
- BEREAVEMENT: When an Employee Passes Away
- THE BOTTOM LINE: The Business Case for Compassion

- A FREE EMPLOYER/EMPLOYEE RESOURCE: The Wellness Community - Arizona
- A GROUP DIALOGUE: Sharing Experiences and Q & A

Location:

The Wellness Community - Arizona
360 East Palm Lane
Phoenix, AZ 85004

[Click here](#) to view map

RSVP:

To Stephanie DiStefano by Friday, August 19 at (602) 712-1006 or at or at SDiStefano@twccaz.org.
· **Seating is Limited** ·

Note:

We would like to tailor the topics covered in the forum to our audience, please email a situation or scenario you would like to have addressed by one of our panelists when you RSVP for the event. We will make every effort to discuss all submissions.

For additional information on this upcoming event [visit our website](#) . We look forward to seeing you there!

Providing free emotional, educational and psychosocial support to people with cancer and those who love them.

360 East Palm Lane, Phoenix AZ 85004 - Telephone 602-712-1006

Fax 602-712-1009 - Website: www.twccaz.org



Childhood Vaccinations

August is here and for many of us that means shopping for school supplies, attending "meet the teacher" night, and getting those last minute vaccinations. Below you will find some information on recommended vaccines and when your child should have them.

Why do we need vaccines?

None of us wants to see our children get sick. If we could, we would protect them from any illness, no matter how small-even the sniffles.

Now suppose you could make your child safe from some of the most deadly diseases in history...And suppose that at the same time you could also help protect your neighbors' children and other children around the country from the same diseases...And finally, suppose you could actually help to rid the world of some of these diseases that have been crippling and killing children for centuries.

You can do all of these things with one of the easiest and yet most powerful health tools ever developed. You can make sure your children get their shots.

How do vaccines work?

When you receive a vaccine, it helps your body to create antibodies. Antibodies are the body's defenses that fight off any foreign substances (germs). Although your body can create antibodies on its own, most of the vaccine-preventable diseases cause severe illness and even death before enough antibodies

are produced.

Immunization (vaccination) schedule

Vaccines work best when they are given at certain ages. For example, measles vaccine is not usually given until a child is at least 1 year old. If it is given earlier than that, it may not work as well. On the other hand, the DTaP vaccine should be given over a period of time, in a series of properly spaced doses. More information about the specific diseases your child is vaccinated against is listed later in this article.

Following is a description of the routine childhood immunization schedule. It is published each year by the U.S. Centers for Disease Control and Prevention (CDC).

What childhood vaccines are recommended, and at what ages they should be given?

Hepatitis B vaccine:

1. First dose at birth to 2 months
2. Second dose at 1 to 4 months
3. Third dose at 6 to 18 months

Hib vaccine:

1. First dose at 2 months
2. Second dose at 4 months
3. Third dose at 6 months
4. Fourth dose at 12 to 15 months

Polio vaccine:

1. First dose at 2 months
2. Second dose at 4 months
3. Third dose at 6 to 18 months
4. Fourth dose at 4 to 6 years

DTaP vaccine:

1. First dose at 2 months
2. Second dose at 4 months
3. Third dose at 6 months
4. Fourth dose at 15 to 18 months
5. Fifth dose at 4 to 6 years
6. DTaP is recommended at 11 years

Pneumococcal vaccine:

1. First dose at 2 months
2. Second dose at 4 months
3. Third dose at 6 months
4. Fourth dose at 12 to 18 months

Rotavirus vaccine:

1. First dose at 2 months
2. Second dose at 4 months
3. Third dose at 6 months

Hepatitis A vaccine:

1. First dose at 12 months
2. Second dose at 18 months



Influenza vaccine:

1. First dose at 6 months (requires a booster one month after initial vaccine)
2. Annually until 5 years (then yearly if indicated or desired, according to risks)

MMR vaccine:

1. First dose at 12 to 15 months
2. Second dose at 4 to 6 years

Varicella vaccine:

1. First dose at 12 to 15 months
2. Second dose at 4 to 6 years

Meningococcal vaccine:

1. Single dose at 11 years

Human papillomavirus vaccine (adolescent girls only):

1. First dose at 11 years
2. Second dose two months after first dose
3. Third dose six months after first dose

What if your child misses a shot?

For most vaccines, it is never too late to catch up on missed shots. Children who missed their first shots at 2 months of age can start later. Children who have gotten some of their shots and then fallen behind schedule can catch up without having to start over. If you have children who were not immunized when they were infants, or who have gotten behind schedule, contact your doctor or the health department clinic. They will help you get your children up to date on their immunizations.

(NOTE: Don't postpone your child's immunizations just because you know he or she can catch up later. Every month a child goes without scheduled immunizations is a month that the child is not fully protected from vaccine-preventable diseases.)

Combination vaccines

A combination vaccine is more than one vaccine contained in a single shot. Doctors and parents both like them because they allow a child to get several vaccines at once without having to get as many injections. Several combination vaccines are already in use (for example, MMR, DTaP, Hib/HepB, DTaP/IPV/HepB), and more are under development.

Vaccination checklist

Rarely, a child should wait before getting certain vaccines, or should not get them at all. Tell your doctor or nurse if any of these apply to your child on a day when an immunization visit is scheduled.

1. Is your child sick today? (More than a common cold, earache, etc.)
2. Does your child have any severe (life-threatening) allergies?
3. Has your child ever had a severe reaction after a vaccination?
4. Does your child have a weakened immune system (because of diseases such as cancer or medications such as steroids)?
5. Has your child received a transfusion or any other blood product recently?
6. Has your child ever had convulsions or any kind of nervous system problem?

If you would like more information on childhood vaccinations, please visit www.cdc.gov or check with your family physician or pediatrician.

Article from: http://www.medicinenet.com/childhood_vaccination_schedule/article.htm

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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