December 2007

Fort Worth Association FWAHU of Health Underwriters

The View

Inside this issue:

Homecoming and Holiday Party

The Fort Worth Association of Health Underwriters has a great event planned for you on Friday, December 14th. We'll be meeting at Rolling Hills Country Club (at the corner of Cooper and Lamar in Arlington) starting at 2pm.

Our program should be a fun one: "The Health Benefits of Wine & Chocolate". We had originally planned on filing this for CE but didn't want to test our relationship with TDI. And because we know what you're thinking, the answer is yes, we will have samples available.

Following the program, we'll have our annual Charity Bake Sale, where you'll have an opportunity to bid on delicious homemade confections and store bought sensations. All proceeds from the bake sale will go to benefit Carnall's Kids. Please consider bringing a homemade (or store bought) item to donate to this very worthy cause.

After we raise a bunch of money, you'll have the opportunity to mix and mingle with your fellow FWAHU members over hors d'ourvres and dessert. We'll try to keep the insurance talk to a minimum.

If you are able to attend, please be sure to invite a guest, and if you can't attend we wish you a very safe and happy holiday season.

The meeting price is $20 for both members and guests. To reserve your spot, please visit our website, www.fwahu.org, and click on UPCOMING EVENTS.

Rolling Hills Country Club
401 Lamar Blvd East
Arlington, TX 76011

Directions

From Dallas - I-30 to Lamar Blvd-Cooper St Exit. At end of exit ramp turn right onto Lamar Blvd. Proceed up the hill, through the intersection of Cooper & Lamar and make the next left turn available into the Rolling Hills Country Club driveway.

From Fort Worth - I-30 to Lamar Blvd-Cooper St Exit. At end of exit ramp turn left onto Cooper St.. Cross the I-30 bridge and make a right turn onto Lamar Blvd. Make the next left turn available into the Rolling Hills Country Club driveway.

MISSION STATEMENT

The Fort Worth Association of Health Underwriters exists to inform and protect the consumer through the professional growth of its members.

Visit our website www.FWAHU.org

December Meeting

We will be having our charity bake sale following the December luncheon. All proceeds will go to benefit Carnall's Kids. (See page 5)

PLEASE help us out by finding a place that will donate a dessert or by purchasing or baking something for the auction. We will not limit it to baked goods – Please let us know if you have tickets to a game or a show or something else you would like to donate.

If you are planning on bringing something for the auction, please email Erin Struck at StruckE@aetna.com and let her know.

Thank you for your support!

Where are they now?

If you have seen or heard from any of these folks, please remind them to renew their NAHU membership by contacting Danielle Kunkle by emailing her at Danielle@consumerbg.com.

Toby Copeland•Stephen Davidson•Stephanie Love•Jerita O'Neal
Catherine Tincher •Bill May•Delores Robinson•Danny Whitt
Walter Landwehr•Virginia Renken

Who wants to raise taxes now?

An explanation of tax cuts in terms everyone can understand. Suppose that every day, ten men go out for beer and the bill for all ten comes to $100. If they paid their bill the way we pay our taxes, it would go something like this:

The first four men (the poorest) would pay nothing.
The fifth would pay $1.
The sixth would pay $3.
The seventh would pay $7.
The eighth would pay $12.
The ninth would pay $18.
The tenth man (the richest) would pay $59.

So, that's what they decided to do.

The ten men drank in the bar every day and seemed quite happy with the arrangement, until one day, the owner threw them a curve. "Since you are all such good customers," he said, "I'm going to reduce the cost of your daily beer by $20." Drinks for the ten now cost just $80.

The group still wanted to pay their bill the way we pay our taxes so the first four men were unaffected. They would still drink for free, but what about the other six men - the paying customers? How could they divide the $20 windfall so that everyone would get his 'fair share?'

They realized that $20 divided by six is $3.33. But if they subtracted that from everybody's share, then the fifth man and the sixth man would each end up being paid to drink his beer.

So, the bar owner suggested that it would be fair to reduce each man's bill by roughly the same amount, and he proceeded to work out the amounts each should pay.

And so:

The fifth man, like the first four, now paid nothing (100% savings).
The sixth now paid $2 instead of $3 (33% savings).
The seventh now pay $5 instead of $7 (28% savings).
The eighth now paid $9 instead of $12 (25% savings).
The ninth now paid $14 instead of $18 (22% savings).
The tenth now paid $49 instead of $59 (16% savings).

Each of the six was better off than before. And the first four continued to drink for free. But once outside the restaurant, the men began to compare their savings. "I only got a dollar out of the $20,"declared the sixth man. He pointed to the tenth man," but he got $10!"

"Yeah, that's right," exclaimed the fifth man. "I only saved a dollar, too. It's unfair that he got ten times more than I!"

"That's true!!" shouted the seventh man. "Why should he get $10 back when I got only two? The wealthy get all the breaks!"

"Wait a minute," yelled the first four men in unison. "We didn't get anything at all. The system exploits the poor!"

The nine men surrounded the tenth and beat him up.

The next night the tenth man didn't show up for drinks, so the nine sat down and had beers without him. But when it came time to pay the bill, they discovered something important. They didn't have enough money between all of them for even half of the bill!
And that, boys and girls, journalists and college professors, is how our tax system works. The people who pay the highest taxes get the most benefit from a tax reduction. Tax them too much, attack them for being wealthy, and they just may not show up anymore. In fact, they might start drinking overseas where the atmosphere is somewhat friendlier.

Let's Talk About the Legislative Changes in Financing of Long Term-Care

By Kathy Dorsey, CLTC

When President Bush signed the 2005 Deficit Reduction Act in February 2006, the federal government sent a clear message to Americans — *planning for long term care is your responsibility*. The bill made major changes to the rules to qualify for Medicaid-paid long term care benefits. It also lifted the federal ban on the expansion of the Partnership for Long-Term Care program—a joint venture between private insurers and states designed to make LTC insurance more affordable and useful to consumers and to help stabilize state's Medicaid programs.

The original intent of Medicaid was to help finance health care for those without the means to pay for private insurance. However, over time it has evolved into the primary payer for nursing home LTC services. Currently, Medicaid pays for nearly two-thirds of all nursing home residents. Before the Deficit Reduction Act's passage, it was fairly easy for people to transfer assets to qualify for Medicaid-paid LTC benefits. Commonly referred to as "shift and shielding", this type of planning typically involved transferring assets from an elderly parent to their adult children, thereby allowing the parent to qualify for Medicaid-paid benefits for which they would not otherwise be eligible. This practice has placed a tremendous strain on states' Medicaid programs and seriously jeopardizes their ability to provide for those who are truly in need.

The Partnership for Long-Term Care

The Partnership for Long-Term Care Program provides a way—particularly for middle income Americans-—to finance the cost of their future long-term care needs. Many middle income people can't afford to pay the full cost of care nor can they afford to purchase a long-term care policy with lifetime benefits. Additionally, they're not eligible for Medicaid because they have too many assets to qualify.

Partnership policies have a unique feature called Medicaid Asset Protection. This feature is a means of protecting a portion of assets that would normally have to be used or "spent down" to qualify for Medicaid benefits. It guarantees that you keep a dollar's worth of assets for each dollar your Partnership policy pays out for long-term care benefits. If you exhaust your Partnership policy benefits and still need care, you apply for Medicaid and are entitled to keep assets Medicaid normally allows (currently $2,000 in Texas) plus assets equal to the amount the Partnership policy has paid out in benefits for your care. The state also disregards these protected assets when it recovers claims Medicaid paid on your behalf.

Partnership programs have been fully operational in Connecticut, New York, Indiana and California since the early 1990s. Since lifting the federal ban on the expansion of these programs in 2006, 37 additional states have implemented or taken steps to implement the program. Governor Rick Perry signed Texas Senate Bill 22 earlier this year allowing the state of Texas to take the first step in implementing the Partnership program come March 1, 2008.

Raising Public Awareness

Recognizing the importance for increased public awareness about the need for long term care planning, the National Clearinghouse for LTC information website was established under the Deficit Reduction Act, www.longtermcare.gov/ltc. It provides citizens with objective information on specific long term care planning options, availability and limitations of Medicaid, planning resources including information on the cost of long-term care, and the value and availability of LTC insurance and the importance of obtaining coverage.

The information on this website is designed for people as an advanced planning tool. It's of little help to those who have not prepared for their future long term care needs and now require care. Unfortunately, that includes many of the people receiving care today. Their care is neither financed by Medicaid nor long term care insurance. It is financed by their families and friends who are their informal caregivers. A Congressional Budget Office Report on Medicaid and Medicare Expenditure for Long Term Care in 2004 indicates these expenses totaled $83.7 billion dollars. Estimates of the equivalent cost of the informal care provided by families and friends during this same period of time was $300 billion. According to the report, "If the federal government was paying for this care instead of unpaid caregivers, the cost (including funds already extended plus the cost provided by unpaid caregivers) would be the third largest budget item, exceeded only by Social Security and defense spending." Further, a 2006 AARP Public Policy Institute study entitled "Valuing the Invaluable: A New Look at the Economic Value of Family Caregiving", reports the serious economic consequences for family caregivers in the work force. It cites lost and lower wages, lack of job security, loss or reduction of employment benefits like health insurance, retirement savings and Social Security. And these losses are occurring at a time when income and benefits are critical for caregivers and their families.

Over 100 bills relating to long term care have been introduced in the 110th Congress. Approximately a third relate specifically to LTC insurance, including proposals to establish an above-the-line tax deduction for premiums individuals pay for qualified long-term care insurance; inclusion of long-term care insurance in the menu of qualified benefits that may be offered through cafeteria plans; and authorization to use some qualified plan assets specifically, 401(k) and 403(b) contributions to pay for long-term care insurance premiums. Other proposals address the need to provide relief for informal care givers, including respite for caregivers of Alzheimer's patients, employment protection for caregivers, provisions for unpaid caregivers to claim SS benefits, family leave enhancement, and creation of a tax credit for expenses associated with providing long-term care.

An Unfunded Liability

Long-term care is the largest unfunded liability facing families and our government today. Recent legislative changes underscore the government's support for the idea that private insurance must assume the lead in providing for Americans' LTC needs. It is no accident that these changes come at a time when 78 million Baby Boomers are fast heading into retirement— many of whom have not planned for their future long term care needs. Clearly, how well we fare as individuals and families in the future depends on the planning done today. Now is the time to "own your future."

Kathy Dorsey, CLTC, is a long- term care specialist and advisor to CPAs, financial planners, attorneys, investment advisors, trust officers, and insurance producers and their clients. She is an authorized Partnership producer in California, a member of the American Association of LTC Insurance, and an Associate Member of the Fort Worth Business and Estate Section of the Tarrant County Bar Association. Her practice, Asset Protection Advisors, is located in Fort Worth, Texas. She can be contacted at kathydorsey@earthlink.net.

CARNALL'S KIDS

"Making a Difference With The Gift Of Education"

Proceeds from our December Bake Sale will go to benefit Carnall's Kids. To encourage you to bring a dessert to the event and help bid up the price on the items we're auctioning off, we thought we'd tell you a little about this very worthy cause.

Donna Carnall, Past President of NAHU, TAHU and Fort Worth AHU deeply devoted to helping the children of Chapala/Ajijic, Jalisco, Mexico secure an education.

For many years before retiring, Donna and Wen provided Christmas Gifts for these less fortunate children. Their mission at that time was to provide toys, clothes, warm sweaters, coats, blankets, and some Christmas food for these children. A wonderful committee of family and "ELVES" helped to make this possible.

When moving to Mexico, she helped organize a scholarship program, whose mission was to provide programs to help educate children in their local community of villages of Lake Chapala, Mexico.

Donna took this need to NAHU and TAHU in 2004. "Carnall's Kids" has been added to the list of TAHU Honorees Corporation charities, a 501c3 organization. Donna selects the children. There are 100 at present in need of scholarships and qualified to receive assistance. The heart breaking average school year completed in this area of Mexico is 4th grade.

Children attending school in Mexico need to provide their uniforms, school shoes, school supplies and various fees throughout the year. Obviously, because the targeted children are from large families, with low incomes, they would not be able to go to school without help.

All it takes to sponsor an entire year of education for a Primary school student is $100 US. This covers all expenses listed in the above paragraph. Please join Donna as she works to raise the average year of education in her community....Make a difference in a child's life.....with a special gift.....EDUCATION.

Donna Carnall was honored as the 2005 Woman of the Year for her community and charity contributions to the Chapala Lakeside Community.

Recap: November Membership Meeting

Our November membership meeting featured a great panel discussion about new technologies that could have a positive effect on the price we pay for health care. The panel consisted of Sheila Ware, Network Market Head for Aetna in North Texas, Laurie Hathaway, Provider Interface Consultant for Humana, and Sharon Alt, president of Alt Benefit Consultants. The discussion was moderated by Eric Johnson, and Aetna was kind enough to sponsor the luncheon.

Several topics were discussed, including price transparency, electronic medical records, payor-provided medical records, point of service claims adjudication, card-swipe technology, and the new Integrated Information Approval System (IIAS).

In a nutshell, health insurance companies are stepping up and developing technologies that should make the entire health care experience much more convenient for the consumer. Carriers are beginning to display cost and quality data on their websites; companies like Availity (a joint venture between a number of large health insurance companies) are providing useful health history information to providers and using card swipe technology to both confirm benefits and pay the provider when the service is rendered; and FSA and HRA debit cards will now be able to distinguish between eligible and non-eligible expenses in stores that have the IIAS system, eliminating the need to chase down receipts after a claim has been paid.

All of these developments are still in the early stages, but when they become more commonplace they will have the potential to increase efficiency and reduce costs by making previously hard-to-get information available to members and providers instantaneously.

FWAHU OFFICERS & BOARD OF DIRECTORS

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Bootstrap HR: 7 Ways to Lower Benefit Costs Without Decreasing Coverage

By Kris Dunn

Don't fear the CEO when she asks you to accomplish this seemingly impossible task. Here are seven strategies to drop benefit costs without decreasing coverage. There's still time to get these in for 2008.

It's a hard-knock life HR people live.

By now you've read the latest yin and yang of benefits news. Health care premium increases rose at their lowest rate in eight years. But the increase is still more than 6 percent, and that's still more than twice the rate of inflation. It far exceeds the average annual increase (3.6 percent) for employees in the U.S.

With that data in mind, the reality remains the same. Your benefit cost structure is increasing, and it remains difficult to shift some, much less all, of the increasing costs to employees. The crunch continues, and you're in the middle. Your CEO is looking to you, the HR pro, to squeeze dollars out of the overall plan structure without causing a riot. So much so that she walks into your office and asks the following question:

"You follow these things: What can we do to reduce our benefit costs without dropping coverage levels significantly or increasing employee contributions?"

Yikes! That's a creditability call for HR—an opportunity to be at the table. Or to clean the table after the meeting if you don't have a meaningful response.

Fear not, my HR brothers and sisters. Here are my Cliff notes for the top seven strategies to drop benefit costs without decreasing coverage. There's still time to get these in for 2008.

The easy solutions

1 Full coverage for preventive care benefits: This one is pretty simple. Drive intermediate to long-term utilization of your health care plan down by providing a healthy stipend ($500 per year? $1,000?) for preventive care covered at 100 percent. Thinking short-term in this area will drive up your long term major-medical costs.

2 Pit the providers against each other: Another simple one. If you have a contract expiring in any area, don't be a rookie. Shop around. Areas you may not spend much time evaluating, like dental, vision and disability, are especially ripe for providers who are making pushes for market share. That means that there's usually a provider willing to beat your current rate to get the contract signed.

More complex solutions

1. Carve out your prescription benefit: "Prescription carve-out" refers to the option for your company to use a pharmacy benefit management company, or PBM, to manage the pharmaceutical component of your medical plans, rather than allowing the traditional PPO or HMO to package it with their services on the medical side. The biggest benefits of the prescription carve-out are volume discounts and formulary design from a big provider like Caremark or Medco. Additionally, if you are a small company on a self-insured PPO/HMO, you may not control the ultimate design of your plan, and as a result may be covering things that aren't ordinarily covered nationally. Control doesn't mean taking benefits away, but it's always good to have options. Formulary design through the carve-out is also the best way to drive up your plan's generic usage, which is where the real savings are.
2. Phone in the doctor visits: Services like TelaDoc allow your employees (over 12 years of age) to get personalized, non-emergency medical care over the phone without having to go to the doctor's office. After completing a medical history, services like this allow employees to speak with doctors on an 800 number, receiving diagnosis and prescriptions over the phone for the most common conditions like strep throat, sinus infections or flu. The cost savings look like this: Each call costs roughly $35, versus $85 per doctor's visit, or a $200 per "doc in the box" visit, or a $400 per emergency room visit. You can do the math.

Solutions that could rankle employees

1. Trust but verify on spousal/dependent coverage: This one's personal. By doing an audit and forcing documentation that spouses and dependents who are on your plan are actually related to the employee in question, you can drop your total number of covered individuals by as much as 10 percent. Of course, in doing this, you're presenting employees with a tough message on trust, and the ones who are not being forthright will be the ones with the worst reaction. Related flavors of this intervention include higher premiums for spousal coverage when the spouse is eligible for health care coverage elsewhere.
2. The carrot and the stick, aka penalties for unhealthy employees: With consumerism and wellness programs slow to deliver savings, companies are beginning to replace the carrot with a stick. The only question is the pace of change. The old strategy in this area (the carrot) is to offer financial incentives to employees who have healthy lifestyle habits or who participate in wellness and fitness programs. That's nice, but it hasn't always generated the change needed. If you want to be hardcore, you can join an increasing number of companies that take the opposite approach and penalize workers (the stick) for unhealthy choices, such as smoking, by charging them higher premiums. Proceed with caution.
3. Forced mail-order Rx: If you have mail order in place and want to drive up your generic use rate by another 5 percent to 10 percent, gather your courage and force any covered individual with a recurring prescription to use the mail-order system once they've made two visits to the pharmacy. You'll benefit by maximizing your overall percentage of generics under the plan. Warning: While many people think such a move would be welcomed by employees (who wouldn't want the convenience of mail order, right?), the reality is this option involves employees who ignore your communications being stranded at Walgreens, unable to get their meds. Chaos and escalated calls to your CEO will ensue.

Lowering your benefit cost structure without decreasing coverage is possible. Drop me a note to tell me the things I've missed, or visit www.hrcapitalist.com and comment. Above and beyond all else, be ready for the million-dollar question from your CEOs. You deserve to be at the table, but you've got to have options ready for them when they ask.

Workforce Management Online, October 2007

Kris Dunn is vice president of human resources for SourceMedical in Birmingham, Alabama. His blog is www.hrcapitalist.com. To comment, e-mail editors@workforce.com.

Subject: NEW way they STEAL YOUR CAR

NEW!
Car Thieves
Steal your car or truck without any effort at all !

Sacramento County Sheriff's Department

Here is info worth the price of your car....WHAT WILL THEY THINK OF NEXT?

Seems that car thieves have found yet another way to steal your car or truck without any effort at all... The car thieves peer through the windshield of your car or truck, write down the VIN # from the label on the dash, go to the local car dealership and request a duplicate key based on the VIN # . My friend didn't believe this, so she called Chrysler-Dodge and pretended she had lost her keys. They told her to just bring in the VIN #, and they would cut her one on the spot, and she could order the keyless device if she wanted. The Car Dealer's Parts Department will make a duplicate key from the VIN #, and collect payment from the thief who will return to your car. He doesn't have to break in, do any damage to the vehicle, or draw attention to himself. All he has to do is walk up to your car, insert the key and off he goes to a local Chop Shop with your vehicle. You don't believe it? It IS that easy.

To avoid this from happening to you, simply put some tape (Electrical tape, duct tape or medical tape) across the VIN Metal Label located on the dashboard. By law, you cannot remove the VIN, but you can cover it SO it can't be viewed through the windshield by a car thief. I urge you to forward this to your friends before some other car thief steals another car or truck. I slipped a 3 x 5 card over the VIN NUMBER. This can also be done when you have parked your car for the day at a shopping mall, hospital, or work place parking lot!

Cindy Burdette

Crime Prevention Specialist
Sacramento Sheriff's Department
North Central Division

916-876-5717

FWAHU SPEAKERS BUREAU

The Fort Worth Association of Health Underwriters has a number of members who are willing and able to speak on a variety of topics, including:

Health Insurance 101
Eric Johnson

The 3 Myths of a Single-Payer Health Care System
Sharon Alt, Audra Sullivan

Consumer-Directed Plans, including FSA's, HRA's, and HSA's
Sharon Alt, Peggy Bass, Audra Sullivan, Eric Johnson

Individual Health Plans
Danielle Kunkle

Medicare
Kasey Buckner, Danielle Kunkle, Eric Johnson

Long-Term Care Insurance
Kathy Dorsey

Many other topics, including state-approved CE Courses

If you would like FWAHU to speak to your group, or if you would like to volunteer to be a speaker for FWAHU, please contact our Media & Public Relations Chair, Rob Wendling, at media@fwahu.org.

FWAHU WANTS YOU!

WE'RE AT WAR, AND WE HAVE AN ALL VOLUTEER ARMY.

ENLIST TODAY!

The threat of a single-payer health care system here in the United States has never been so great. Join FWAHU and help us fight to keep America's health care system private. We're all in this together.

To join, go to www.fwahu.org and click on Membership.

HUPAC - Health Underwriters Political Action Committee

HUPAC is the political action committee of the National Association of Health Underwriters (NAHU). It is the expression of our First Amendment rights to free speech and association guaranteed under the Constitution. Such political expression has become far more than a useful option for professionals in a heavily regulated business like the health insurance industry. It has become a necessity.

HUPAC is registered with the Federal Election Commission. Since NAHU and similar organizations are prohibited from making political contributions, HUPAC was created to allow contributors to combine their financial support to a candidate to achieve maximum effect.

Leading Produces Roundtable

2006 Qualifiers

Briscoe Dunn (Lifetime)
Kevin Faherty (Lifetime)

Kevin Ahalt
Tonya Booth
Kasey Buckner
Rodney Culp
Kelly Dills
Coleen Elkins
Eric Johnson
Chaliese Rippey
Audra Sullivan

The Leading Producers Round Table

The best of the best. That's what the Leading Producers Round Table (LPRT) is for America's benefit specialists. It's where the nation's best performers in the business get recognized for their leadership and rewarded for their accomplishments ... with tools and benefits that will help keep them at the top of their game.

Only members of the National Association of Health Underwriters (NAHU) can quality. So, if you like the view from the top, visit us online for more information about the privileges and rewards of being an LPRT member.

http://www.nahu.org/members/awards-lprt.cfm

TEXAS DEPARTMENT OF INSURANCE

The Texas Department of Insurance (TDI) website offers information to help you learn more about insurance and make informed decisions about your insurance coverage.

PROTECT YOURSELF FROM INSURANCE SCAMS

Buy only from licensed insurance companies and agents. Unlicensed companies and agents often take your money, then disappear when you have a claim. Verifying a license only takes a few minutes, but it can save you money and give you peace of mind. To learn whether a company or agent is licensed, visit the TDI website www.tdi.state.tx.us.

LOOKING FOR HEALTH CARE COVERAGE?

TexasHealthOptions.com is a one-stop resource to help you find coverage. It's a free service of the State of Texas and TDI.

NEED MORE INFORMATION?

For answers to general insurance questions call the Consumer Help Line 800.252.3439 between 8am and 5pm Monday-Friday.

www.tdi.state.tx.us | www.TexasHealthOptions.com | 800.252.3439