

Benefit Trends for 2010 – Cost Shifting Initiatives

In an effort to reduce benefit costs, many employers are implementing the following cost containment strategies in 2010.

Rewards for Good Health

Offer financial incentives to employees who have healthy habits and lifestyles or those who participate in worksite wellness programs.

Preventative Care Benefits

Offer full coverage for employees who seek preventative medical care and preventative drugs without a deductible.

Onsite Health Centers

Offer onsite health centers and staff health coaches to provide advice on personal health needs.

Catering to Individualized Needs

Offer voluntary benefit options that meet personal and family needs.

Communication Tools

Provide online tools for employees on health education and estimation on their health care benefits.

Health Care Savings

Accounts (HSAs) Offer HSAs with a high-deductible health plan as a way to promote consumerism and reduce costs.

Ten Steps to Take Charge of your Health in 2010

Source: American Heart Association

1. Visit your physician for regular checkups.
2. Communicate with your physicians, pharmacists, and nurses. Ask questions, make sure to get specific answers, be honest, and talk to them about alternatives if a medication is not working for you.
3. Eat healthier. Choose foods low in saturated fat, cholesterol, and salt. Eat more fruits and vegetables, drink water each day, and avoid sugared soft drinks.
4. Live healthier. If you smoke, take steps to quit. Talk to your health care provider about medications, patches, and support groups.
5. Get moving. Strive for a total of 30 minutes of physical activity three to four times per week.
6. Always take all medications as prescribed. Never miss a dose or stop taking medications because you feel better.
7. Use tricks and tools to remind you to take medications. Store medications where you will be reminded to take them at the right time. Use medicine timers and pill sorters to keep track of complex regimens. Use a calendar to remember to get refills.
8. Use one pharmacy or drugstore chain for all your prescription medications. Most pharmacies have sophisticated computers to search for possible medication reactions. They have your history.
9. Keep track of the medications you take. Write down the name of each medication you take, the reason you take it, and how often you take it, and keep this list with you.
10. Empower yourself. Take an active role in improving your health and accept responsibility for the outcome of your decisions.

Number One Resolution for 2010: Health & Fitness

Source: Harris Interactive Market Research, Centers for Disease Control

According to a recent poll headed by Harris Interactive, one of the world's leading custom market research firms, the number one resolution for 2010 is to lose weight (63% of those polled).

The start of a new year often means the start of new habits. Set realistic goals for yourself this year! A healthy diet and regular physical activity can easily be achieved by making some easy, conscious decisions:

Take the extra calories out of cooking!

Modify recipes to reduce the amount of fat and calories. For example, when making lasagna, use part-skim ricotta cheese instead of whole-milk ricotta cheese. Use the whole-wheat lasagna noodles and substitute some of the ground meat with shredded veggies, such as carrots, zucchini or spinach.

Eat breakfast every morning—this helps jump start your metabolism, plus if you don't eat breakfast, you are likely to make up for the calories you saved by eating more later on in the day.

When eating or snacking in front of the TV, put the amount that you plan to eat into a bowl or container instead of eating straight from the package.

Eat smaller food portions. When eating out, save some of your meal and take it home to make another meal or split one meal between two people. At home, try putting only the amount you want to eat in a small bowl and don't go back for more. People eat more when confronted with larger food portions.

Prepare a healthy lunch at home and take it to work. Taking your lunch to work helps you avoid last-minute lunch choices, which often result in selecting high-fat and high-calorie options.

Rethink your Drink! Choose water, diet, or low calorie beverages instead of sugar-sweetened beverages. Limit your alcoholic beverage intake—they can be loaded with calories.

Benefit Trends for 2010 – Cost Shifting Initiatives, cont.

Align your Goals Weave business goals with health goals and devise a way for individuals or departments to lose weight, start exercising and/or stop engaging in unhealthy habits.

Co-insurance Instead of having employees pay a copayment of \$10 or \$15, require them to pay a percentage of their health care expenses (co-insurance). This may make your employees more aware of their expense as well.

Encourage the use of Generic Drugs Suggest that employees utilize the generic form of their prescriptions (if available) to save your organization and your employees money.

Let your Employees know the Cost of Benefits Neace Lukens offers our clients a value-added service of annual benefit statements. This service will allow your employees to see the cost of all of the perks provided to them by being your employee. To get started, contact your Neace Lukens representative.

Compliance Corner: Updates for your Use

Source: Agency Fuel

On December 19, 2009, President Obama signed legislation **extending the COBRA premium subsidy**. The new law addresses the uncertainties employers were facing regarding the subsidy.

Eligibility Period – Extended through February 28, 2010

Before the subsidy extension, an individual had to be eligible for COBRA before December 31, 2009, in order to receive the premium subsidy. This was true even if the Assistance Eligible Individual (AEI) was involuntarily terminated from employment before December 31, 2009. The extension provides that individuals who become eligible for COBRA because of an involuntary termination occurring during the period from **September 1, 2008, through February 28, 2010**, will be eligible for the subsidy if they elect COBRA.

Length of Subsidy – Extended to 15 months

Initially, the COBRA premium subsidy was available to AEIs for a maximum of nine months. The new legislation extends the premium subsidy period by six months to a total of **15 months**. However, employees and employers should keep in mind that the COBRA premium subsidy does not affect the length of COBRA coverage itself.

Retroactive Payments – How to Handle Employees Caught in the Middle

The new law contains provisions regarding AEIs whose 9-month subsidy period expired before the extension was passed. These AEIs may have let their COBRA coverage lapse because it was too costly without the subsidy. Others may have kept the coverage and started paying the full amount of the premium. These AEIs will be able to benefit from the subsidy extension retroactively. Special notices to these individuals are required, as explained below.

AEIs who failed to pay their COBRA premiums once their initial subsidy period expired can retroactively pay the premiums to maintain COBRA at subsidized rates for the additional six months. The premiums must be paid no later than **February 17, 2010, or 30 days after the AEI receives notice** of the extension, whichever is later.

If an AEI paid the full amount of the COBRA premiums after the 9-month subsidy period ended, but is now eligible for additional assistance, the employer must either reimburse the individual for the excess premium amount paid or provide a credit that reduces later premium payments.

Notice Requirements

The legislation includes additional notice requirements for group health plans. In general, plan administrators must provide notice of the subsidy extension to individuals who are AEIs at any time on or after October 31, 2009. The notice must be provided by **February 17, 2010**. Also, election notices sent to individuals who experience a qualifying event on or after December 19, 2009, must include information regarding the subsidy extension.

The new law also requires notices to the following individuals: (a) those who are eligible to make retroactive premium payments because they let their COBRA coverage expire once their subsidy period ended, and (b) those who are entitled to receive reimbursement or credit because they are eligible for additional assistance but paid the full amount of the premium for coverage. The plan administrator must notify these individuals of the subsidy extension **within the first 60 days of the individual's transition period**. The transition period includes any period of coverage beginning before December 19, 2009, that will now be covered by the subsidy due to the extension. For more information please visit The Department of Labor Website: <http://www.dol.gov/ebsa/cobra.html>