



BGA Update

Black, Gould & Associates

www.blackgould.com

March 2010

Senate fails to extend COBRA subsidy before Easter break

The Senate adjourned March 26th, for a two-week recess without taking action on an already approved House bill (H.R. 4851) that would temporarily extend federal COBRA health insurance premium subsidies.

Without the extension, employees who are involuntarily terminated after March 31 will not be eligible for the 65%, 15-month premium subsidy. The House previously approved the bill, which would extend the subsidy eligibility through April 30.

The Senate is expected to take up the measure soon after legislators return April 12. If the bill is approved, the premium subsidies would be retroactive to April 1.

The Senate earlier approved legislation, H.R. 4213, to extend the subsidy to employees laid off through the end of 2010, but the House has not acted on that measure.



March 2010
Black, Gould & Associates, Inc.

February Monthly Production Winners

Congratulations to the following Producers for their February Production:

Phoenix

Most New Group Premium - Thomas P. McConlogue

Most New Groups - Johnson Insurance Services

Most New Indv Policies - Joe Armbruster

Tucson

Most New Group Premium - DRS Ins. Services

Most New Groups - Christopher Ferrell

Most New Indv Policies - Q & A Financial Services

Business Hours:

Mon-Thurs 8am-5pm

Fri 8am-3pm

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To Our Valued Partners

Health care reform will present both challenges and opportunities for our industry. Together with our broker partners we are in a good position to take advantage of the opportunities, and to respond favorably to the challenges.

Agents will be part of the process.

Absolutely nothing in the new law precludes the role of agents.

We have time to react.

Although there are a few provisions that are effective very soon, the most significant changes do not begin until 2014.

The details.

The legislative language is far from clear. For example, the implications of a minimum loss ratio standard—by company size, by product, by duration, by class of business, by claim definition—are yet to be determined.

It's important to remember:

For the next couple of years very little changes, so we need to keep doing what we do best. In fact, we may have more opportunity for sales as consumers lock in plans that will be grandfathered under the new rules. In addition, consumers will be counting on our guidance to understand the impact of this new legislation, the eligibility for subsidies and the mandates.

Health insurance reform is not new, it's been happening incrementally for many years, and we've always been able to adapt. Change is inevitable. Let's work together to make the most of this opportunity.



From the Individual Dept.

AETNA

New Premium Payment Method

Aetna individual clients now have a new service available. By going to www.aetnamemberresources.com your clients may now pay their premiums online.

AIM HEALTH PLAN

No Longer Accepting Applications

AIM Health Plan Administrators & CEO Health Plan Administrators has placed a hold on all new business being sold effective March 22, 2010 at 11:59 P.M.

- ◆ All current memberships will remain in force with no change.
- ◆ All commissions will be paid accordingly with no change.
- ◆ All claims will continue to be processed with the same level of efficiency and service.

From the Medicare Department

CIGNA

2009 CMS Rules for Broker Compensation & Payments

Renewals. CIGNA shall pay Renewal Payment by the fifteenth (15th) day of each then-current month for each CIGNA Medicare Access plan member;

(a) who, as of the month immediately preceding the then-current month, has been enrolled in a Medicare Access Plan for at least 12 months and
(b) remains enrolled and in-force throughout the month immediately preceding the then-current month and

(c) whose initial enrollment was as a result of the marketing services of COMPANY and/or its Agent(s) under this Agreement. **CIGNA Medicare Access payments are paid monthly at a rate of 1/12th of the full-year rate in the CIGNA Medicare Access Payment Chart.**

CIGNA Medicare Dual Plan Meeting in Phoenix

Please join us at the Phoenix BGA Office:

3800 N. Central Ave., 9th Floor, Phoenix, AZ

Tuesday, April 13, 2010 ~ 10:00 a.m. to 12:00 p.m.

Topics: CIGNA Medicare Dual plan and eligibility, AHCCCS, partial dual categories and marketing materials & opportunities.

Seating is very limited.

You must RSVP to marlana.mertz@blackgould.com.

This N That

AETNA

Aetna waives HSA Admin Fee

Aetna will continue to waive the Health Savings Account (HSA) administrative fee to help your customers save. Aetna waives the administrative fee to set-up an HSA account through HealthEquity.

Aetna goes mobile!

Aetna goes mobile and gives members convenient access to health care information. Aetna members will soon be able to access a wide range of health care information from their mobile phones, whether they have a basic cell phone or a smartphone with full internet access. That's because Aetna is making it a priority to engage members with mobile solutions that include mobile web, smartphone "apps" and text messaging. Traditionally information is accessed through a desktop computer, but now it's available to members on the go.

For example, members can:

- ◆ find a doctor, dentist or facility
- ◆ look up a claim
- ◆ access their personal health record
- ◆ research the price of a prescription
- ◆ pull up their Aetna member ID card

Aetna consumer research has found members favor resources that offer personalization and convenience – with an emphasis on items like online provider directories, pricing tools and personal health records. Based on this research, Aetna is providing access to a variety of features including its DocFind online provider directory, the Aetna Personal Health Record, Price-a-Drug, claims search, and electronic ID cards – all while members are on the go.

HEALTH PLAN ADMINISTRATORS

Provider Network Change in the Metro Phoenix Area

The four IHC Group companies formerly known as Health Plan Administrators (HPA), GroupLink, Insurers Administrative Corporation (IAC) and IHC Health Solutions have united under one company name: IHC Health Solutions, effective January 1, 2010.

More employers penalizing unhealthy behavior: Survey

According to a new survey by Hewitt Associates, Inc. 47% of employers either already use or plan to use financial penalties during the next three to five years for employees who do not participate in certain health improvement programs.

Most companies say they will penalize employees through higher premium contributions. Some said they may increase deductibles, while others said they were considering higher out-of-pocket expenses as penalties.

The types of behaviors or programs they were planning on penalizing, include smoking, not participating in disease management or lifestyle behavior programs. Indicating that they may assess penalties in more than one area, 45% of employers responding to the survey said they would penalize workers for not participating in biometric screenings.

Although a growing number of employers are leaning toward penalties, the majority continue to use financial incentives to encourage employees to participate in wellness programs.

Calendar of Events

GPAHU

Monthly Speakers Luncheon

Tuesday, April 20, 2010 ~ 11:30am—1:00pm

Phoenix Country Club ~ 7th Street & Thomas Rd. ~ Phoenix, AZ

Speaker: Ruthann Laswick, VP, Marketing - Black, Gould & Associates
& NAHU Regional Vice President

Topic: Health Care Reform

Members: \$30 ~ Guests: \$45

Email registration to info.gpahu@cox.net

SAAHU

Monthly Speakers Luncheon

Wednesday, April 21, 2010 ~ 11:30am—Check-in

Viscount Suite Hotel ~ 4855 E. Broadway ~ Tucson, AZ

Speaker: Mark El-Tawil, Humana Market President

Topic: Federal Legislative Update

Members: \$25 ~ Guests: \$30

Email registration to valenzuela.susana@principal.com

SAAHU Annual Golf Tournament

Friday, April 9, 2010 ~ Shotgun Start @ 7:30am

Location: Arizona National Golf Course ~ Tucson, AZ

Contact Becky Kanoza for questions or sponsorship information:

Becky.kanoza@blackgould.com or 520-290-3051





Contests & Bonuses

AETNA

Small Business bonus in Arizona & Nevada

Sell new medical groups of 2-99 in Arizona and 2-50 in Nevada to earn \$25 per subscriber for groups with April, May and June 2010 effective dates at Aetna Avenue®. A month after your qualifying group's effective date, Aetna will issue you a gift card for the total amount of your earnings for the groups you sold.

Close sales today, this limited time offer ends June 15, 2010.

HEALTH NET

Broker Reward

Win a chance to attend a fabulous event selling Health Net products. Top producers will win two event tickets and a chance to be whisked off to Sonoma wine country!

Destination: 2010 Suitcase Party at Deer Valley Airport, Atlantic Aviation hangar.

Enjoy an evening of drinks, dancing and food samples prepared by local restaurants. You'll also receive VIP treatment in Health Net's exclusive Jet Setter Lounge.

Health Net is the proud presenting sponsor of the 2010 Suitcase Party in conjunction with the Active 20 30 Club of Phoenix. Funds raised from this event will go to help The Children in Need Foundation and Make-A-Wish Foundation.

ETA: Friday, May 7 at 6 p.m.

Come prepared with your packed suitcase in hand.

Grand Prize Raffle: Your ticket gives you a chance at a trip to beautiful Sonoma Valley, California. The winner and a guest will board a private jet headed for Sonoma that evening. They'll enjoy weekend accommodations and tours of the region before returning to Phoenix Sunday afternoon.

Additional vacation prizes include a limousine ride from the Deer Valley Airport directly to a lovely, local resort for a weekend get-away.

The Manifest: Working your way there – it's simple!

- ◆ Just sell Health Net Individual & Family Plans with membership effective dates of January 1, 2010 through May 1, 2010.
- ◆ Applications must be written/issued prior to or on April 15, 2010.
- ◆ The top 6 producers and one guest each will win tickets to the Suitcase Party, plus they'll each get an entry into the raffle.

HUMANA

Arizona Agents Group Bonuses

- ◆ **Earn \$30 per subscriber** when 26 to 50 subscribers enroll in a Humana medical plan with an initial effective date of coverage between April 1 and September 1, 2010.
- ◆ **Earn \$5 per specialty subscriber** for each line of business with 2 to 50 subscribers and an initial effective date of coverage between April 1 and September 1, 2010, when the following are placed with the same employer:
 - ◆ Two or more specialty lines of coverage are placed with a new or existing Humana medical plan
 - ◆ Three or more specialty lines of coverage are placed, without medical, with a new employer
- ◆ **Earn \$1,000** when 51 to 99 subscribers enroll in a new Humana medical plan with an initial effective date of coverage between April 1 and September 1, 2010, and **add \$5 per subscriber** per specialty line of coverage.

UNITED CONCORDIA DENTAL

Dental Sales Bonus

Sell the required level of new, fully insured sales revenue and receive a bonus on total commissions paid on new and existing business from January 1-December 31, 2010.

You can qualify in 3 different tiers:

	<u>Tier 1</u>	<u>Tier 2</u>	<u>Tier 3</u>
Minimum New Sales Revenue	\$360,000	\$720,000	\$1,200,000
Bonus Percentage	7%	15%	20%

From The Group Department

CIGNA

CIGNA to reduce Small Group Plans in AZ

After a review of its product offerings in Arizona, CIGNA has decided to reduce the number of Small Group Plans it offers in the state.

Here is what you need to know in order to serve your clients:

- ◆ Beginning July 1, 2010, CIGNA will only offer two benefit plans to Small Group employers in the State of Arizona. The two plans being offered are CIGNA's Health Savings 5000 plan, offered by Connecticut General Life Insurance Company, and CIGNA's HMO Plan I, with access to the Arizona Provider Network, offered by CIGNA HealthCare of Arizona.
- ◆ Any Small Group client wishing to continue to receive Small Group coverage from CIGNA must provide the standard Employer Certification form as well as a Small Group Employer – Benefit/Change Renewal Form. The Small Group must also indicate which of the two product offerings they have selected for their group.
- ◆ Both forms are required, regardless of current plan offerings, as a condition of continued enrollment and must be returned to CIGNA prior to the group's scheduled anniversary date, otherwise the existing Small Group coverage will be terminated.
- ◆ Terminated small groups may apply for coverage under the CIGNA Health Savings 5000 plan or HMO Plan I.

It is important to note that:

- (a) CIGNA will not automatically make a plan selection for the group; and
- (b) CIGNA will not automatically provide coverage for any client without the Employer Certification form and the Small Group Employer - Benefit/Change Renewal Form. **Again, these forms must be received by CIGNA prior to the group's scheduled anniversary date; otherwise CIGNA will terminate the Small Group coverage.**

CIGNA will send a letter regarding this decision to your Small Group Clients 90 days prior to their scheduled policy anniversary date.

While this news affects Small Group employers, please be aware that CIGNA is dedicated to supporting you and helping grow your Individual Product business. Be on the lookout for more information and pricing for their new Open Access Value Plans and Momentum Events in May.

If you have further questions regarding this, please contact your Group Account Executive.

SMALL GROUP & INDIVIDUAL TRAINING

Phoenix BGA Office

April 15, 2010

Tucson BGA Office

April 20, 2010

The sessions are held every month at 10:00am until approximately 12:30am. Please RSVP to: marlana.mertz@blackgould.com for the Phoenix meetings, or lizette.vega@blackgould.com for the Tucson meetings.