

# TheWPInsider

## Your Carrier Update from Warner Pacific

April 2009 Warner Pacific 32110 Agoura Road, Westlake Village, CA 91361 (800) 801-2300

Newest items appear in [green](#). All information is subject to carrier approval and guidelines. Visit [www.warnerpacific.com](http://www.warnerpacific.com) for the latest industry news and events. Last updated 4/01/2009.

[Click here for Small Group Updates:](#) Aetna, Anthem Blue Cross, CaliforniaChoice®, Cigna, Health Net, Kaiser Permanente, Kaiser Permanente Choice Solution, PacifiCare and Sharp.

[Click here for Mid-Market/Large Group Updates:](#) Aetna, Anthem Blue Cross, CaliforniaChoice® and Health Net.

[Click here for HSAs.](#)

[Click here for Ancillary Carrier Updates:](#) Aetna, Anthem Blue Cross, AIG, Delta Dental, Health Net, Principal, SafeGuard and VSP.

[Click here for Carrier RAF Guidelines and Specials.](#)

### SMALL GROUP:

#### Aetna

##### News:

Effective April 1, HMO plans for small groups:

- Choice of 14 plans
- Two new cost effective HMO plans - HMO \$40 and Aetna Value Network \$40
- Simplified benefits on many current HMO plans
- Flexibility to offer all HMOs with both Value & Standard networks alongside each other
- No Rx Deductible for any HMO plan
- Chiropractic included with all HMO plans

Effective April 1, MC plans for small groups:

- Choice of plans with deductibles ranging from \$250 to \$10,000
- EPO option available with no deductible
- Three new plans with a combined deductible for In and Out-of-Network services
- MC \$750 80/50/50
- MC \$2500 75/50
- MC \$10,000 100/50 - PCP visits, outpatient lab and x-ray and pharmacy are not subject to the deductible
- Most plans have \$0 copay for outpatient lab/x-ray and are not subject to the deductible
- No dollar limits on Adult Routine Physical Exams - *age and frequency schedules still apply*
- MC plans have been modified eliminating the 10% differential for complex imaging and reduced copay for walk-in visits and emergency room visits on most plans.

##### Provider Update:

No significant change.

##### Underwriting:

No significant change.

##### Rates:

Rates available [May 1, 2009 through June 30, 2009](#).

##### Forms:

[New Employer's Statement of Understanding and a PEO/Leased Employees Form.](#)

##### Programs/end dates:

Aetna's RAF program has been extended through June 30, 2009. [Click here](#) for details.

HRA Administrative Fee waiver extended: Aetna has extended this promotion and will waive the administration fee for HRA plans through **2009**. That's up to a \$450 value for your clients!

**Aetna POP set-up fee waiver extended to June 2009** - Premium Only Plan set-up fees waived for groups that purchase at least \$20,000 in life insurance for each employee - **a \$150 value!**

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## Anthem Blue Cross

### News:

- **Anthem Blue Cross Announces Rate Increase** for EmployeeElect and EmployeeChoice portfolios and Dental for May 1, 2009 effective dates. Life and Vision will not be affected. [Click here](#) for details.
- **Effective May 1, 2009 Anthem Blue Cross will be making adjustments to its Small Group medical and dental rating areas.** While they will continue to have nine rating regions throughout the state, the specific rating areas for approximately 20 counties will be changing. These changes will be seen primarily in rating regions 1, 2, 3 and 7. Fresno County will receive a significant improvement in rating position due to these changes.
- **Anthem Blue Cross creates an easy to use renewal website.** [www.anthem.com/easyrenew](http://www.anthem.com/easyrenew) gives agents access to the latest information on Anthem Blue Cross Small Group renewals.
- **Members with both health and Blue View Vision coverage now have a single source for all Anthem benefit information including health, pharmacy, dental and vision coverage through the MyAnthem member site.** One registration, one user ID and one password for all four lines.

### Provider Update:

- **Tehachapi Valley Healthcare District** located in Kern County, has rescinded its termination notice. They have agreed on new rates through December 31, 2011.
- Anthem Blue Cross reached an agreement with **Olympia Medical Center**, located in Los Angeles County. The fully executed contract is effective April 1, 2009 and extends through February 29, 2012.
- Anthem Blue Cross reached an agreement with **Lompoc Healthcare District**, located in Santa Barbara County. The fully executed contract is effective April 1, 2009 and extends through March 31, 2012.
- Anthem Blue Cross reached an agreement with **Henry Mayo Newhall Memorial Hospital**, located in Los Angeles County. The fully executed contract is effective April 1, 2009 and extends through March 31, 2012.
- Anthem Blue Cross has recently been informed of the purchase of **Community Hospital of Los Gatos**. As a result of the purchase, Community Hospital of Los Gatos plans to close its doors on April 10, 2009 and reopen under new management by September 1, 2009 or earlier.

### Benefit Changes:

No significant changes.

### Underwriting:

No significant changes.

### Rates:

Rates good through June 30, 2009.

### Forms/Brochures:

May 2009 rate guides/brochures are available for all plans and all portfolios.

### Programs /end dates:

#### RAF Promotion

Guaranteed RAF Program for AB1672 qualified groups has been **EXTENDED** through **April 15, 2009** effective dates. [Click here](#) for details.

- Groups of 10 - 14 medically enrolling employees receive a **.95 RAF**.
- Groups of 15 - 50 medically enrolling employees receive a **.90 RAF**.

**Come Back to Anthem Blue** Bring back groups that lapsed between **10/1/07 and 10/1/08** and had a renewing RAF of 1.05 or better.

Reapply for Medical coverage from Anthem Blue Cross or Anthem Blue Cross Life and Health Insurance Company, for 9/1/08 through 4/15/09 effective dates, and the 12-month waiting rule and guarantee issue those groups that would otherwise qualify under AB1672 (Anthem Blue Cross will review on a non Guarantee Issue [AB1672] basis for groups that don't meet these requirements).

#### Lower RAFs for Come Back to Anthem Blue

For a limited time only, Anthem Blue Cross is offering RAF reductions when eligible groups reapply for medical coverage under the Come Back to Anthem Blue promotion.

- *Qualifying groups of 2-4 medically enrolled subscribers receive a 1.0 RAF.*
- *Qualifying groups of 5-9 medically enrolled subscribers receive the lower of .95 RAF or 5% reduction.*
- *Qualifying groups of 10-50 medically enrolled subscribers receive a .90 RAF.*

**Note:** Health questions may be required for groups requesting a lower RAF. Lowest RAF available is .90 and the RAF is guaranteed for the initial 12 months from the Medical coverage effective date. Bundling savings with Life, Dental and Workers' Compensation coverage still applies. Groups that have been denied reinstatement are ineligible. Come Back to Anthem Blue groups are not eligible for the Guaranteed RAF program, but are eligible for the lower RAF deal.

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**Come Back to Blue Cash Program:**

Groups returning via Come Back to Blue will receive a bonus of:

- 2 - 4 = nothing
- 5 - 9 = \$350 per group
- 10 - 50 = \$750 per group

Add **double** points toward Small Group Producer Trip for January

**Summer Sizzle RAF Program:**

Sell new group business with effective dates between 4/1/09 and 9/15/09 and:

- *Groups of 6 or more subscribers will receive an automatic .90 RAF*
- *Groups of 5 or fewer subscribers will receive an automatic 1.10 RAF, no health questions required*

[Click here](#) for complete details

**Bonus Program:****Extended!!! Solution PPO Bonus Program 9/1/08 – 1/15/09 effective dates!**

Applies to **new** business only, for groups 2-50 upon initial enrollment with 9/1/08-1/15/09 effective dates. Enroll 1-24 members in a Solution PPO plan and receive \$35 per member. Enroll 25+ members in a Solution PPO plan and receive \$50 per member. Groups must be active through the end of February 2009. Primary agent receives the bonus. This is the first writing agent listed on the application. Payout will be included on the February 2009 agent commission statement.

**Small Group Retention Bonus program**

Bonus program is based on snapshot of renewing membership as of December 15, 2008 for anniversary renewals from January 1, 2009 through April 30, 2009. Bonus based upon the percent of membership remaining two months after each renewing month.

**Small Group Top Producer Program-Solage Calistoga!** Based on small group production in 2009, trip will occur in 2010. Agents earn a point for each new small group medical member they sell - 1 point per small group member. The points can add up, when you add specialty business – ½ point per member per specialty line and ¼ point for workers' compensation. Top 50 point winners and 5 wildcards - for each 50 points get entered into random drawing for 5 wildcard winners. Program details apply.

**Life and Disability Standard Broker Bonus Program** for all licensed brokers, all group sizes in all states, all life and disability lines of business, New Business: Minimum of three new Anthem accounts and \$50,000 in new annualized premium. Persistency: Must qualify for new business component and have at least 90% persistency rate. Bonuses will be paid out in March 2010. Brokers who qualify but do not wish to participate may opt out.

## CaliforniaChoice®

**News:**

No significant changes for April effective date.

**Plan changes:**

No significant changes for April effective date.

**Underwriting:**

No significant changes for April effective date.

**Rates:**

Effective January 1, 2009 through June 30, 2009.

**Forms:**

No significant changes for April effective date.

## Cigna

**News:**

No significant changes.

**Underwriting:**

No significant changes.

**Rates:**

No significant changes for April effective date.

**Forms/Brochures:**

Updated: [Rate guide](#), [POS and OAP Brochure](#)

**Promotions:**

None.

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## Health Net

### News:

Mid-Market groups losing coverage due to a reduction in group size covered by a Mid-Market plan are typically those with a minimum of 51 active subscribers. However, employers who have recently undergone a reduction in staff may not qualify for guarantee issue coverage in the Small Group segment.

This is due to the fact that they are required to have no more than 50 eligible employees for at least 50% of the prior calendar year or quarter in order to qualify for coverage. As a result, there may be up to a 6-week lapse in coverage as these groups wait to meet the definition of a small employer.

**In order to avoid a lapse in coverage, Health Net will consider these groups for Small Group coverage on a guaranteed issue basis if they meet the following criteria:**

The group **must:**

- Be coming off of a Mid-Market plan with another carrier.
- Request an effective date within 3 months of cancellation of their large group coverage.
- Provide their Mid-Market renewal letter, group contract, or letter of cancellation indicating their date of renewal or termination.
- Currently have between 2 and 50 eligible employees.
- Provide their most recent reconciled DE-6 and 2 weeks of their most recent group-wide payroll to verify current group size.
- Be subject to standard rating unless qualified for the 5/1/-7/15/09 limited time RAF Guarantee Program
- Meet all other SBG standard guidelines and paperwork requirements.

### Underwriting:

No significant changes.

### Provider Update:

No significant changes.

### Rates:

Rates are good through July 31, 2009.

### Forms:

No significant changes.

### Programs / End Dates:

- New 2009 RAF Program (certain restrictions apply) – 1/1/09 through 12/31/09 effective dates. [Click here](#) for details.
- **Limited time offer RAF Program: May 2009 – July 2009 for groups of 10 or more active subscribers.** This program will override the regular program during this limited time. [Click here](#) for details.

### Bonus Programs:

**2009** Small Business Group retention program:

Here's how to qualify:

- 1) Minimum membership = 300 to qualify for the retention bonus.
- 2) Hit 95% retention of your membership base each quarter to qualify; maintain 100% and earn even more.
- 3) Bring in new small group business and move up to a higher bonus tier. Get paid within 60 days of the quarter close for production in that quarter. Other guidelines apply.

## Kaiser Permanente

### News:

BrokerNet is going to be a big cousin! Kaiser Permanente will welcome the latest bundle of joy to their online family --- BusinessNet, the new Web destination for existing and potential customers.

<http://businesslink-preview.kp.org/health/plans>

### Underwriting:

No significant changes.

### Rates:

- Medical rates effective January 1, 2009 valid through June 30, 2009.
- Dental rates effective January 1, 2009 valid through June 30, 2009.

### Forms:

No significant changes.

**Programs / end dates:**

**Production Reward:** When you enroll new groups with effective dates of January 1, 2009, through December 1, 2009, you'll get a one-time \$1,000 reward for the first 25 new members you sign up. And, for every member you enroll after the first 25, they'll pay \$25 per member.\* The reward is a one-time payment for new group member sales only, and it's not limited to employees. The enrolled subscriber and each dependent count as a member for all rewards.

**Total Replacement reward:** You can earn a one-time reward when you establish Kaiser Permanente as the sole carrier for your new or renewing group with effective dates of January 1, 2009, through December 1, 2009.

## Kaiser Permanente Choice Solution

**News:**

No significant changes for April effective date

**Plan changes:**

No significant changes for April effective date.

**Underwriting:**

No significant changes for April effective date.

**Rates:**

Effective January 1, 2009 through June 30, 2009.

**Forms:**

No significant changes for April effective date.

**Programs/end dates:**

The Kaiser Permanente Choice Solution Total Replacement Reward has been extended through December 1, 2009 effective dates.

## Sharp

**News:**

No significant changes.

**Benefit changes:**

No significant changes.

**Underwriting:**

No significant changes.

**Rates:**

Rates good through June 30, 2009.

**Forms:**

No significant changes.

**Programs/end dates:**

2009 RAF Program. For effective dates January 1, 2009 – December 1, 2009. Certain restrictions apply. [Click here](#) for more details.

## UnitedHealthcare/PacifiCare

**News:**

**New plans are being offered to Small Businesses (2-50)** effective May 1, 2009. These plans will provide access to physicians and other health care professionals in the select HealthCare Partners network, serving a subset of zipcodes within the Greater LA area, northern Orange County and neighboring communities in Ventura County. Clients can choose one of the three following plans:

- PacifiCare SignatureValue HealthCare Partners Network HMO 25-50/500ded
- PacifiCare SignatureValue HealthCare Partners Network HMO 25-75/500ded
- PacifiCare SignatureValue HealthCare Partners Network HMO 25-75/1500ded

Also, the following new plans will be added to the UHC PremierSourceSM portfolio effective May 1, 2009:

- Definity HSA 1500/80%
- Definity HSA 2850/80% (with embedded family deductible)

**PremierSourceSM** offers 5-50 groups seven of UHC most popular plans – two traditional PPOs, four Consumer-Driven Health plans and one traditional HMO. In addition, you have the ability to offer a staff model HMO. You can mix and match plans within the PremierSource program to meet your client's needs.

**Benefit changes:**

No significant changes.

**Rates:**

Effective March 1, 2009 through June 30, 2009.

**Underwriting:**

No significant changes.

**Forms:**

Updated: Rate Guide, MultiChoice Brochure, Premier source brochure, Group acceptance change form, product and benefit selection form, Medical plan change request form.

**Programs/end dates:**

RAF program extended through June 30, 2009. [Click here](#) for details.

## MID MARKET/LARGE GROUP:

### Aetna 51-125

**News:**

Aetna has modified their Spectrum OAMC plans. The **Out-of-Network** surgery benefit now has a maximum benefit of \$400 per surgery.

**Benefit Changes:**

Effective January 1, 2009, Aetna Dental Care Reward will be introduced.

**Underwriting:**

Bundling Discount: Life- No Discount, Dental 1%, Vision- N/A and Disability 1%

**Promotions:**

None.

### Anthem Blue Cross 51-250

**News:**

**Effective April 1, 2009, Anthem Blue Cross is introducing 12 New Solution PPO plans for 51+ clients** (excludes 51-99 EmployeeElect) giving employers more choices – for example, offer a Solution PPO alongside one of the traditional PPOs as a high/low option (Dual Options must include a Solution PPO Plan; OnePlan PPO plans are excluded from dual options mix.)

**Benefit changes:**

No significant changes.

**Underwriting:**

No significant changes.

**Promotion:**

Specialty discounting can be a maximum of 4% off medical. Here's the breakdown:

- 1% Discount when packaging Dental (remains the same)
- 1% Discount when packaging Life (remains the same)
- 1% Discount when packaging Vision (increase from 0.5%)
- 1% Discount when packaging STD and LTD (0.5% each)

**The Road to Rewards** - How to earn points: Sell medical with the following specialty products: Life, Dental or Vision. Only medical cases with 51+ eligible employees will qualify. A specialty sale of Life, Dental and/or Vision is required with each qualifying medical case. Earn two points for each new eligible medical subscriber sold. Earn one point for each new eligible Life or Dental subscriber sold.

**Life & Dental Packaging Program (5+5)**

5% off the Dental and Life premium when new Dental and Life are purchased.

\* For groups with 51-250 employees, fully insured new business. Not applicable to Voluntary.

**Bonus Programs**

**Life and Disability Standard Broker Bonus Program** for all licensed brokers, all group sizes in all states, all life and disability lines of business, New Business: Minimum of three new Anthem accounts and \$50,000 in new annualized premium. Persistency: Must qualify for new business component and have at least 90% persistency rate. Bonuses will be paid out in March 2010. Brokers who qualify but do not wish to participate may opt out.

**Dental:**

No significant changes.

## Anthem Blue Cross 51-99 Employee Elect

### News:

Anthem will no longer be offering the .85 RAF adjustment for new business pricing to this offering beginning with April 1, 2009 effective dates. The rating will now be similar to their Small Group offering at a .90 RAF for new business.

### Dental:

No significant changes.

### Vision:

No significant changes.

### Benefit changes:

No significant changes.

### Underwriting:

No significant changes.

### Rates:

Rates good through June 30, 2009.

### Forms:

No significant changes.

## CaliforniaChoice 51+ (51-199)

### News:

No significant changes for April effective date.

### Plan changes:

No significant changes for April effective date.

### Underwriting:

No significant changes for April effective date.

### Rates:

Rates quoted based on Request for Proposal.

### Forms:

No significant changes for April effective date.

## Health Net 51-250

### News:

Effective April 1, 2009, new cost-effective 85th percentile UCR PPO and 100% Health Savings Account (HSA)-compatible PPO plans. To help your clients with cost-effective health plan choices in these challenging economic times, Health Net is offering these plan choices for your clients.

### Benefit changes:

No significant changes.

### Underwriting:

No significant changes.

### Forms:

No significant changes.

## NEW CALIFORNIA LAW - SB 1168:

- **California law SB 1168 (effective January 1, 2009) and federal law HR 2851 (effective October 9, 2009, as contracts renew) --- These new laws** allow dependent college-age students to continue receiving coverage during school breaks or while on medical leave. All commercial group and individual plans that provide coverage for dependent college-age students are affected.
- **Duration of coverage** --- Coverage continues for up to one year or until coverage is scheduled to terminate under the plan's terms and conditions, whichever comes first.
- **Required documentation** --- Documentation from a physician showing the leave of absence is medically necessary must be submitted to the health plan.

## STIMULUS PACKAGE-RELATED CHANGES TO COBRA

The ARRA of 2009 (economic stimulus package) provides for a 65% reduction in COBRA premiums for certain assistance eligible individuals for up to 9 months. [Click here](#) for more details.

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## NEW EMPLOYEE RETIREMENT INCOME SECURITY ACT (ERISA) FROM 5500 RULES FOR REPORTING GIFTS AND ENTERTAINMENT EXPENSES

For plan years beginning Jan. 1, 2009 and after, the U.S. Department of Labor is requiring employee benefit plans to include the value of meals, gifts, sporting event tickets and similar items provided by insurers and service providers to brokers and consultants on 5500 Schedule A and C filings. This is in addition to the monetary commission and bonus/override compensation currently reported on these schedules. This rule applies to both fully insured and ASO ERISA plans with 100 or more participants.

### NEW FEDERAL LAW

**HR 6081 - Heroes Earnings Assistance and Relief Tax Act (HEART Act)** changes Flexible Spending Account (FSA) withdrawal guidelines for Reservists that are called to active duty. If a Reservist is called to active duty for more than 180 days, they will be allowed to withdraw a portion or all of their accumulated FSA contributions without penalty. Those funds would be reported on their W2 form as taxable income. Each Plan Sponsor must decide if they want to take part in the HEART Act or not. If they so choose then the Reservist has three options: 1) Leave the funds in the account and make no changes. 2) Withdraw a portion of the funds but leave the FSA open. 3) Withdraw all accumulated funds and close the FSA. If a Reservist decides to withdraw all funds, the account must be closed.

It is the responsibility of the Plan Sponsor to submit the paperwork and then the Plan Sponsor must make adjustments to the Reservists W2 form. A Reservist can make the request retroactive as long as the Plan Sponsor has decided to opt in to the program.

### HEALTH SAVINGS ACCOUNTS (HSAs):

#### General Information:

- According to the IRS, an HSA account must be funded in order to be effective and an account cannot legally exist before the effective date of the HSA qualifying plan coverage. If HSA paperwork is received after the first day of the month, the HSA account cannot be effective any sooner than the first day of the following month. This means that the account holder cannot use the HSA funds for any expense incurred prior to the effective date of the HSA.

#### Legislative Changes:

- Subscribers may contribute the full annual contribution into their HSA accounts regardless of the month that they purchase a qualified plan. (A new HSA plan may be established in November but the subscriber will be able to contribute the FULL annual amount) including any catch-up provisions for subscribers between the ages of 55-64.
- One time rollover provision from HRA, IRA, FSA programs. Funding of HSA account is no longer linked to the deductible plan selected. (A subscriber may select a \$2200 deductible plan but can still contribute the maximum allowance of \$3000 for a single subscriber.)

**Amounts for 2009:** Individual: \$3,000, Family: \$5,950, Catch-up: \$1,000

For calendar year 2009, a "high deductible health plan" is defined under § 223(c)(2)(A) as a health plan with an annual deductible that is not less than \$1,150 for self-only coverage or \$2,300 for family coverage, and the annual out-of-pocket expenses (deductibles, co-payments, and other amounts, but not premiums) do not exceed \$5,800 for self-only coverage or \$11,600 for family coverage.

**IRS Releases 2009 HSA Limits** - On May 13, the U.S. Treasury Department and Internal Revenue Service IRS released Revenue Procedure 2008-2009, which lists the new indexed amounts, adjusted for inflation, for HDHPs and HSAs.

	Self-only	Family
Annual HSA contribution limit	\$3,000	\$5,950
HDHP minimum deductible	\$1,150	\$2,300
HDHP out-of-pocket limit (includes deductibles, co-payments and other amounts but not premiums)	\$5,800	\$11,600

Additionally, the new guidance details that eligible individuals can contribute the full annual contribution, as well as a catch-up contribution, if they are age 55 or older by year end.

## ANCILLARY LINES (DENTAL):

### Aetna

**News:**

No significant changes.

**Underwriting:**

No significant changes.

**Benefit Changes:**

No significant changes.

**Rates:**

Rates available May 1, 2009 through July 31, 2009.

### AIG

No significant changes.

### Anthem Blue Cross

**News:**

No significant changes.

**Rates:**

Rates good through June 30, 2009.

**Forms/Brochures:**

No significant changes.

### Delta Dental

**News:**

Delta Dental has an online Fee Finder tool, where enrollees can find dentists' average fees for common procedures in their area by entering their ZIP code. To use the tool, enrollees simply log in to Delta Dental's web site and choose Fee Finder from the Overview page. They then enter their ZIP code and select from a list of many different types of procedures, including cleanings, crown dentures, fillings, x-rays, extractions, root canals and more.

Promoting good oral health is an important part of any organization's employee wellness program. At Delta Dental, they continually strive to develop programs that educate and promote preventive care and dental health maintenance. They provide extensive information on how to maintain good oral health through a wide array of educational resources and programs.

**Plan Changes:**

No significant changes.

**Rates:**

Rates good January 1, 2009 – December 31, 2009.

### Health Net

**News:**

No significant changes.

**Underwriting:**

No significant changes.

**Rates:**

Rates are good through July 31, 2009.

**Forms:**

No significant changes.

### Principal

**News:**

No significant changes.

**Rates:**

Rates are good through September 30, 2009.

**Forms/Brochures:**

No significant changes.

**Promotions:**

None.

**ANCILLARY LINES (VISION):**

**Anthem Blue Cross**

**Rates:**

Rates good through June 30, 2009.

**Health Net**

**News:**

No significant changes.

**Rates:**

Rates are good through July 31, 2009.

**VSP**

**News:**

No significant changes.

**Rates:**

Rates good through December 31, 2009.



For more information, call your Warner Pacific  
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