

# TheWPInsider

## Your Carrier Update from Warner Pacific

June 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 5/30/09.

**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:**

Aetna will rate Monterey County as Rating Area 3 effective August 1, 2009.

**Provider Update:**

No significant changes.

**Underwriting:**

Aetna now uses new 6 week rule to determine "when is a group considered Guarantee Issue." Aetna changes guideline on "length of time a company must be in business to apply for non-guarantee issue" to **0 days**.

**Rates:**

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

**Forms:**

No significant changes.

**Programs/end dates:**

Earn Broker Bucks June 1<sup>st</sup> – September 15<sup>th</sup>. Sell 30 applications and earn \$15 per application. Sell 50 applications and earn \$35. Certain guidelines apply.

Aetna has expanded their RAF promo through December 31, 2009 and AB1672 eligible groups moving from a large group contract are now eligible for the RAF program. To qualify, groups must provide a large group renewal of less than 20% increase within 90 days of their requested effective date. [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!**

#### Anthem Blue Cross

**News:**

- **Anthem Blue Cross changes underwriting guidelines.** Effective immediately, Anthem Blue Cross will now guarantee issue groups that have actively been in business (and employed 2 -50 eligible employees) for **a minimum of six continuous weeks**. [Click here](#) for details.
- **Opting out of hard copy EOB's** - As valuable as EOBs are, some members may prefer to get them online and skip the paper version altogether. They can with Anthem's Paperless EOB program. It can be more convenient, faster and save some paper in the process.

- Update on Union Employees – Last year Anthem announced that Union versus Non Union groups will no longer be considered as class carveouts - but rather, subject to AB1672 criteria and certain underwriting guidelines. There is more good news! Starting now, eligible employees who are Union members no longer need to submit a declination/waiver to decline Small Group coverage. A copy of the Union roster will still be required from the employer to identify Union members. The AB1672 group size count will continue to be based on the total number of eligible Non Union and Union employees.
- All Anthem Blue Cross group members in California now have access to **Anthem Care Comparison**, a ground-breaking online tool that launched in 2008 to select geographic areas in the state. Care Comparison provides total estimated costs associated with all aspects of nearly 40 specific medical procedures performed at local area hospitals and medical facilities. Anthem Care Comparison is the only tool to bundle together related services and tests around a specific procedure to determine the total price, giving members a complete picture of what an entire procedure typically costs. And as members will quickly see, one procedure can carry different price tags at different facilities. Those differences can increase or decrease members' out-of-pocket costs.
- **Anthem Blue Cross will be making changes to EmployeeElect portfolio.**
  - 14 new plans will be added. The plans will be grouped into ten plan families or “suites” which will improve their portfolio layout and make the administration of their plans easier to understand and sell.
  - Nine plans will be discontinued, beginning with new sales and renewals in January 2010. By waiting until January 2010 to discontinue these plans instead of doing so immediately, Anthem Blue Cross believes the transition will be easier for agents and their clients.
  - **Anthem Blue Cross will not be changing rates for July. That’s right, there will be no increase in rates.** [Click here](#) for complete details.

#### Provider Update:

No significant changes.

#### Benefit Changes:

No significant changes.

#### Underwriting:

**Anthem Blue Cross** Multiple Plan/Product Combinations now offer groups 2+ the ability to offer any of all 41 designated California Anthem Blue Cross plans (if choosing **Select \$25 HMO** or **Select \$35 HMO**, no other HMO plan may be offered which would bring the offer to **35** plans) and "Employee Choice", the ability to offer up to 6 plans pre-determined by Anthem Blue Cross.

EmployeeChoice: Groups with 5-50 eligible employees may offer any of all of the following 5 plans: Premier \$20 copay, PPO \$30 copay, PPO \$35 GenRx, Saver \$20 HMO and **Lumenos HSA 3500 (80/50) (eff. 8/1/09)** alongside another carrier's HMO.

#### Rates:

Rates good through September 30, 2009.

#### Forms/Brochures:

Updated BeneFits Master and Employee applications. Updated rate guides for all products. Updated You Choose brochures. Updated Agent Plan Benefit Guide. Updated How to Request Changes Chart.

#### Programs /end dates:

##### Summer Sizzle RAF Program:

Sell new group business with effective dates between July1, 2009 and September 15, 2009 and:

- *Groups of 6 or more subscribers will receive an automatic .90 RAF.* [Click here](#) for complete details

#### Bonus Program:

None.

**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 June effective date.

**Plan changes:**

No significant changes for June effective date.

**Underwriting:**

No significant changes for June effective date.

**Rates:**

Effective July 1, 2009 through December 31, 2009.

**Forms:**

Updated rate guide for HMO and PPO.

## Cigna

**News:**

No significant changes.

**Underwriting:**

No significant changes.

**Rates:**

No significant changes for June effective date.

**Forms/Brochures:**

No significant changes.

**Promotions:**

None.

## 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.

**Downgrade and Save**

Did you know your Health Net small business groups have the option of downgrading once a year without waiting for their scheduled renewal? It's one of the fastest and easiest ways to help your clients cut costs without cutting out benefits.

**Underwriting:**

No significant changes.

**Provider Update:**

No significant changes.

**Rates:**

Rates are good through October 31, 2009.

**Forms:**

Update Group Service Agreement and Employee Enrollment and Change Form. Updated Underwriting Guidelines for all products. Updated Ancillary Programs brochure. Prior Authorization Requirement forms are available for PPO, POS and Flex Net.

**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:**

No significant changes.

**Underwriting:**

No significant changes.

**Rates:**

- Medical rates effective July 1, 2009 valid through December 31, 2009.
- Dental rates effective July 1, 2009 valid through December 31, 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 June effective date

**Plan changes:**

No significant changes for June effective date.

**Underwriting:**

No significant changes for June effective date.

**Rates:**

Effective July 1, 2009 through December 31, 2009

**Forms:**

[Updated Rate Guide.](#)

**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:**

Sharp will discontinue offering life insurance to new groups effective July 1, 2009.

**Underwriting:**

No significant changes.

**Rates:**

Rates good through June 30, 2009.

**Forms:**

Updated underwriting matrix.

**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:**

No significant changes.

**Benefit changes:**

No significant changes.

**Rates:**

Effective July 1, 2009 through September 30, 2009.

**Underwriting:**

No significant changes.

**Forms:**

No significant changes.

**Programs/end dates:**

New RAF program July 1, 2009 through December 31, 2009. [Click here](#) for details.

**Bonus Program:**

2009 Medical and Specialty Benefit Bonus program effective January 1, 2009 – December 31, 2009. [Click here](#) for more details.

## MID MARKET/LARGE GROUP:

### Aetna 51-125

**News:**

No significant changes.

**Benefit Changes:**

No significant changes.

**Underwriting:**

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

**Promotions:**

2009 Aetna large group bonus program. Ask your Warner Pacific Sales Executive for details.

### Anthem Blue Cross 51-250

**News:**

**Effective immediately, Solutions PPO can be offered under the following scenarios:**

- Dual Option: HMO / Solutions PPO, PPO / Solutions PPO, Solutions PPO alongside HSA or HIA+.
- Triple Option: HMO / Solutions PPO / HSA or HIA+.
- Quadruple Option: Select HMO / HMO / Solutions PPO / HSA or HIA+. When Solutions PPO was first rolled out, the Solutions PPO was not allowed to be offered alongside HSA or HIA+.

Large Group employers in California can now check the status-pending, active, denied and closed-of life and disability claims, including waiver of premium claims, for their employees through EmployerAccess. The EmployerAccess tool will also give them the ability to generate statistical reports for life and disability claims showing how many claims were submitted during a specific time period and how many of those have been closed.

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**Benefit changes:**

No significant changes.

**Underwriting:**

No significant changes.

**Forms:**

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:**

No significant changes.

**Dental:**

No significant changes.

**Vision:**

No significant changes.

**Benefit changes:**

No significant changes.

**Underwriting:**

No significant changes.

**Rates:**

Rates good through September 30, 2009.

**Forms:**

Updated Employee Elect Employer and Employee applications reflecting new plans for July 1<sup>st</sup>. Updated rate guides for all products. Updated You Choose brochures.

### CaliforniaChoice 51+ (51-199)

**News:**

No significant changes for June effective date.

**Plan changes:**

No significant changes for June effective date.

**Underwriting:**

No significant changes for June effective date.

**Rates:**

Rates quoted based on Request for Proposal. Quoting for CaliforniaChoice 51+ for September 2009 is now available.

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**Forms:**

No significant changes for June effective date.

## Health Net 51-250

**News:**

No significant changes.

**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.

### 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. This means that the account holder cannot use the HSA funds for any expense incurred prior to the effective date of the HSA. However, the account will become effective the day the HSA is funded.

**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 individuals can contribute the full annual contribution, provided they remain enrolled in an eligible HDHP for the full following calendar year. Please note that for people 55+ an additional \$1,000 "catch-up" contribution is allowed. If the HDHP is effective any month other than January, it must be pro-rated based on the number of months the HDHP is effective.

## ANCILLARY LINES (DENTAL):

### Aetna

**News:**

No significant changes.

**Underwriting:**

No significant changes.

**Benefit Changes:**

No significant changes.

**Rates:**

Rates effective through July 31, 2009.

### AIG

No significant changes.

### Anthem Blue Cross

**News:**

No significant changes.

**Rates:**

Rates good through September 30, 2009.

**Forms/Brochures:**

No significant changes.

### Delta Dental

**News:**

No significant changes.

**Plan Changes:**

No significant changes.

**Rates:**

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

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## Health Net

**News:**

No significant changes.

**Underwriting:**

No significant changes.

**Rates:**

Rates are good through October 31, 2009.

**Forms:**

Updated underwriting guidelines.

## MetLife

**News:**

No significant changes.

**Underwriting:**

No significant changes.

**Rates:**

Effective January 1, 2009-December 31, 2009

**Forms:**

Revised DHMO Master Applications

## Pacificare/United Healthcare

**News:**

No significant changes.

**Underwriting:**

No significant changes.

**Rates:**

Rates are effective July 1, 2009 – September 30, 2009.

**Forms:**

No significant changes.

## Principal

**News:**

No significant changes.

**Rates:**

Rates are good through September 30, 2009.  
New PPO expansion into Lake and Mono Counties.

**Forms/Brochures:**

No significant changes.

**Promotions:**

None.

## ANCILLARY LINES (VISION):

### Anthem Blue Cross

**Rates:**

Rates good through September 30, 2009.

## Health Net

**News:**

No significant changes.

**Rates:**

Rates are good through October 31, 2009.

## United HealthCare/PacifiCare

**News:**

No significant changes.

**Underwriting:**

No significant changes.

**Rates:**

Rates are effective July 1, 2009 – September 30, 2009.

**Forms:**

No significant changes.

## VSP

**News:**

No significant changes.

**Rates:**

Rates good through December 31, 2009.

**Forms:**

Updated provider directories for the entire state are available on the Warner Pacific Website.



For more information, call your Warner Pacific  
Sales Executive at (800) 801-2300.

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