

TheWPInsider

Your Carrier Update from Warner Pacific

May 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 for the latest industry news and events. Last updated 5/7/2009.

[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:

Electronic Funds Transfer (EFT) now available for groups to submit their *initial premium*. Groups that don't want to mail a check at the time the group is submitted to underwriting can have the funds drafted from their checking account once they are approved. Payments will be deducted within 1 - 2 business days after notification of the group's approval.

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

Employers Statement of Understanding Form

Effective immediately, employers with 50% or more of employees enrolling in an Aetna plan with a \$1,000 deductible or higher, will be required to complete this form indicating the employer is not funding all or a portion of the member's deductible outside of an HRA or HSA account.

Provider Update:

No significant change.

Underwriting:

New Underwriting Guidelines for owners/officers/partners effective May 1, 2009

Aetna will accept a group's previous carrier bill to determine the eligibility of officers and owners when not listed on a *Quarterly Wage Tax Statement* or payroll for groups with more than five (5) enrolling employees. The carrier bill must be detailed with names of each insured/employee.

If the carrier bill is not available, *Articles of Incorporation* and/or a *Partnership Agreement* listing the appropriate names are acceptable.

Rates:

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

Forms:

Updated employee and employer enrollment form.

Programs/end dates:

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!**

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Anthem Blue Cross

News:

- **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.
- **Anthem Blue Cross creates an easy to use renewal website.** www.anthem.com/easyrenew gives agents access to the latest information on Anthem Blue Cross Small Group renewals.

Provider Update:

Anthem Blue Cross and Emanuel Medical Center, located in Stanislaus County, were unable to reach an agreement acceptable to both parties and the contract has terminated effective April 15, 2009.

Moreno Valley Community Hospital (located in Riverside County and formerly part of Valley Health System), was purchased by Kaiser Permanente and became a non participating hospital effective April 15, 2009.

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:

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

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.

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

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 May effective date.

Plan changes:

No significant changes for May effective date.

Underwriting:

No significant changes for May effective date.

Rates:

Effective January 1, 2009 through June 30, 2009.

Forms:

No significant changes for May effective date.

Cigna

News:

No significant changes.

Underwriting:

No significant changes.

Rates:

No significant changes for May 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.

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HRA Plans - Effective May 1, 2009, Health Net is announcing two new HRA plans with a 3000 and 5000 deductible. These will be the only plans in the portfolio that you can wrap with. ie: self funding, Ben-Elect.

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:

Effective May 1, 2009, Health Net has lowered the participation requirements for the HnOptions portfolios. As long as a minimum of **60%** of a group's eligible population is covered by group coverage through some carrier, Health Net requires only the minimum enrollment for each package to be met.

Provider Update:

No significant changes.

Rates:

Rates are good through July 31, 2009.

Forms:

Updated Ancillary Programs brochure.

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:

Due to the complicated administration process required to implement the new COBRA subsidy, effective immediately Kaiser Permanente will not be expanding the COBRA billing-and-collection services to additional accounts. This change also applies to new sales. This change is being made because the work required to administer the COBRA subsidy for the groups that currently receive COBRA billing-and-collection services from Kaiser Permanente is quite significant.

Kaiser offers a welcome kit available for deductible HMO members that outlines sample fees and instructions on how to use the plan effectively.

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 May effective date

Plan changes:

No significant changes for May effective date.

Underwriting:

No significant changes for May effective date.

Rates:

Effective January 1, 2009 through June 30, 2009.

Forms:

No significant changes for May 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:

Package Plans - When employer groups want to elect the PacifiCare SignatureValue HealthCare Partners Network plan(s), they can offer this product as part of the UnitedHealthcare Multi-Choice Package, which includes Choice Plus Value PPO and Definity HSA plans. The PacifiCare HMO or PacifiCare HMO Advantage product may be offered to employees who are outside of the HealthCare Partners Network service area. Also groups with less than 5 enrolling employees do not qualify for package options. However, they can choose one of the HealthCare Partners (HCP) Network plans on a standalone basis. One HMO or HMO Advantage plan may also be offered to employees who are outside the HCP Network service area. Please refer to the attachments for details.

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](#), [Underwriting 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.

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:

None.

Anthem Blue Cross 51-250**News:**

No significant changes.

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:

Anthem announced that they completed the acquisition of DeCare Dental - one of the largest dental insurers and administrators in the country. Rest assured that while this acquisition will ultimately deliver enhanced dental capabilities, nothing changes for you or your existing dental clients today.

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 June 30, 2009.

Forms:

No significant changes.

CaliforniaChoice 51+ (51-199)

News:

No significant changes for May effective date.

Plan changes:

No significant changes for May effective date.

Underwriting:

No significant changes for May effective date.

Rates:

Rates quoted based on Request for Proposal. [Quoting for CaliforniaChoice 51+ for August 2009 is now available.](#)

Forms:

No significant changes for May 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.

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 effective through July 31, 2009.

AIG

No significant changes.

Anthem Blue Cross

News:

Anthem announced that they have completed the acquisition of DeCare Dental - one of the largest dental insurers and administrators in the country. Rest assured that while this acquisition will ultimately deliver enhanced dental capabilities, nothing changes for you or your existing dental clients today.

Rates:

Rates good through June 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.

Health Net

News:

Effective May 1, 2009, the dental and/or vision can be sold standalone!

Underwriting:

No significant changes.

Rates:

Rates are good through July 31, 2009.

Forms:

No significant changes.

MetLife

News:

MetLife has simplified their book rates available 5 to 50 eligible. All Plans/Rates are available as Voluntary or Employer Paid (the rates do not change.) All Plans/Rates can be sold as Stand Alone or Dual Option (the rates do not change). STAND ALONE DHMO - Minimum of 5 enrolled on plan. DUAL OPTION DHMO/DHMO - Minimum of 5 enrolled on each DHMO plan. DUAL OPTION DHMO/PPO - Minimum combined participation is 7 enrolled lives.

Key advantages of MetLife's PPO Dental plan:

- Composite, or "white", fillings included for all teeth
- Implant coverage included under major services
- Deep discounts provided for non-covered services, (ex: Adult Orthodontia), when performed by a network provider

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- MetLife's VisionCare Benefit, which consists of discounts on vision care, related equipment, and LASIK eye surgery, INCLUDED for ALL employees AND their dependents
- MetLife's PPO network with over 110,000 points of access nationwide. View our on-line directory of dentists at www.metlife.com/dental.

SafeGuard DHMO has the largest network and the most membership in the state of California! Please visit the Provider Search website at www.safeguard.net

Underwriting:

No DE-6 is required.

Rates:

Effective January 1, 2009-December 31, 2009

Pacificare/United Healthcare

News:

No significant changes.

Underwriting:

No significant changes.

Rates:

Rates are effective March 1, 2009 – May 31, 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 June 30, 2009.

Health Net

News:

Effective May 1, 2009, the dental and/or vision can be sold standalone!

Rates:

Rates are good through July 31, 2009.

Pacificare/United Healthcare

News:

No significant changes.

Underwriting:

No significant changes.

Rates:

Rates are effective March 1, 2009 – May 31, 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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