



# HealthWatch

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State Employees' Insurance Board

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State Employees' Insurance Board

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#### Toll-free Numbers

State Enrollments..... 1.866.836.9737

Wellness..... 1.866.838.3059

Flexible Benefits.....1.866.833.3378

Blue Cross Blue Shield...1.800.824.0435

*Don't go around  
saying the world  
owes you a living.  
The world owes  
you nothing. It  
was here first.*

Mark Twain



## Health Care Reform Law: Schedule of Changes

The recently enacted federal health care reform law contains many provisions affecting the nation's healthcare system. Some of these reforms are not applicable to State employees. Here's a schedule of the major changes:

### 2010

#### Temporary high-risk health insurance pools

- will be established in each state providing uninsured people with medical problems affordable coverage.

**Temporary reinsurance program** - will help offset costs of coverage for companies that provide early retiree health benefits for those ages 55 to 64.

**Young adults** - will be able stay on their parents' insurance until their 26th birthday, effective for plan years beginning on or after September 23, 2010.

**Pre-existing conditions** - Insurers will be barred from denying coverage to children with pre-existing conditions. Adults will have to wait until 2014 for the same protection.

**Lifetime limits** - on benefits and restrictive annual limits will be prohibited.

**Preventive care** - services will be covered with no co-pays.

**Small businesses** - with up to 25 employees will qualify for tax credits to encourage them to offer health insurance.

**Seniors** - will get a \$250 rebate to help fill the "doughnut hole" in Medicare prescription drug coverage. The Medicare Part D doughnut hole coverage gap will be completely phased out by 2020.

**Medicare payments** - to health care providers under the program will be reduced.

### 2011

#### Voluntary long-term care insurance program

- will be established to provide home health and rehabilitation services.

**Medicare Part D recipients** - will receive a 50% discount on brand-name drugs when they reach the doughnut hole.

**Primary care doctors** - and general surgeons practicing in underserved areas will qualify for a 10% bonus on Medicare funded services.

**Healthcare company fees** - drug makers pay new fees. Insurance and medical-device providers follow in 2013.

### 2013

**Flexible spending account** - contributions will be limited to \$2,500 a year, indexed for inflation.

**Itemized medical expense** - threshold on federal taxes will be raised from 7.5% to 10% of income. For individuals over the age of 65, this change will not take effect until 2017.

**Medicare payroll tax** - will increase for individuals earning more than \$200,000 per year (\$250,000 for married filing jointly), and it includes net investment income.

**Employer Medicare Part D subsidy deduction** - will be eliminated. Employers will lose the tax deduction for subsidizing prescription drug plans for Medicare Part D-eligible retirees.

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# Health Care Reform Law : Schedule of Changes

continued from front page

## 2014

**Health insurance exchanges** - will be created in each state providing individuals and small businesses a marketplace to compare and purchase coverage.

**Individual mandate** - almost everyone will be required to get insurance or face a fine - \$95 in 2014, \$325 in 2015 and \$695 in 2016. No penalty applied to individuals who qualify for hardship or religious exemption.

**Employer mandate** - businesses with 50 or more employees must offer insurance or pay a \$2,000-per-worker penalty.

**Premium credits** - and cost-sharing reductions will be available for individuals and families below 400% of the federal poverty level.

**Medicaid program** - will be expanded to cover childless adults and low-income families up to 133% of the federal poverty level.

## 2018

**Tax on "Cadillac" plans** - a 40% excise tax on health coverage cost that exceeds \$10,200 for an individual and \$27,500 for families.

Most of the provisions of the health care reform law do not directly affect State employees. We have included other information that may affect your friends and family. You will be notified about changes affecting your State Employees' Health Insurance Plan by direct mail and in future issues of *HealthWatch*.

# Long-Term Care Insurance

## PLANNING YOUR RETIREMENT? Keep in mind these recent changes to federal and state laws:

Most of us share certain goals for our retirement years: security, independence, choices, and control. Achieving these goals is dependent upon building and protecting your retirement income and investments. **Long-term care insurance** will protect you from being forced to spend your own finances to provide care for yourself, your spouse, or a loved one.

Medicare defines "long-term care" as a variety of services that includes medical and non-medical care to people who have a chronic illness or disability. Long-term care helps meet health or personal needs. Most long-term care is to assist people with support services such as health or personal needs. Long-term care can be provided at

home, in the community, in assisted living or in nursing homes. It is important to remember that you may need long-term care at any age or never need it at all.

Long-term care services can typically cost between \$20,000 to \$100,000 per year depending upon what type of care you need and where you receive that care. Long-term care insurance helps cover these costs and allows you to choose both where you receive your care and the quality of your care. In an effort to offer outstanding benefits and address specific interests, the Flexible Employees' Benefits Board has approved the following providers of long-term care insurance:

### Blue Cross Blue Shield of Alabama

Patty McDonald  
4465 Park Boulevard  
Montgomery, Alabama 36116  
334.213.6609 / 1.888.331.4188  
pmcdonald@bcbsal.org  
www.preferredltc.com  
(Select "Group Coverage" option,  
then enter State of Alabama  
groupcode A1423001)

### MetLife

Joe Garrison  
2660 East Chase Lane  
Suite 401  
Montgomery, AL 36117  
334.309.1028  
jgarrison@metlife.com  
website: www.mfgsouth.com

### Equitable Life and Casualty

Carlton Center  
101 TechnaCenter Drive  
Montgomery, AL 36117  
1.800.557.5721 / 1.800.329.5844  
334.462.7151  
ltcinsurance@bellsouth.net  
website: longtermcarealabama.com

### Mutual of Omaha

Carlton Center  
101 TechnaCenter Drive  
Montgomery, AL 36117  
1 1.800.557.5721 / 1.800.329.5844  
334.462.7151  
ltcinsurance@bellsouth.net  
website: longtermcarealabama.com

As a State employee you are eligible for group discounts with these companies. Premiums may be payroll deducted for active employees on a post-tax basis. It should be noted that age limitations may apply to long-term care policies. If you're considering long-term care coverage, you may contact these companies for further details.

# Flexible Spending Card

*Active State Employees are you enrolled in the Health Care Reimbursement Account with a Flexible Spending Card? Do you and your Flexible Spending Card have a relationship that could use improvement? It appears that those of us with a Flex Spending Card have a love/hate relationship with the card.*

Whether you love the Flexible Spending Card or hate it, the Flexible Spending Card is still the most popular reimbursement option for the Health Care Reimbursement Account (HCRA) enrollees. We love that we can swipe the card to take care of our co-pays at our physician, dentist or pharmacy. About a month or so later when we get a letter in the mail requesting a receipt that we have misplaced, we hate it. Sound familiar?

## Here are a few tips that might help you and your Flex Card develop a better working relationship.

- Keep all your receipts for all medical services when you used your card as payment. The IRS requires that BlueCross BlueShield (BCBS) validate each card transaction. Claims data may accommodate this requirement, but if it doesn't you will be asked for a receipt. (Helpful hint: keep an envelope in your car glove compartment marked "receipts" and put paperwork there when you leave the physician, dentist or pharmacy.)
- Do not you use your card to pay for a previous balance; especially if the

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balance is from the previous year.

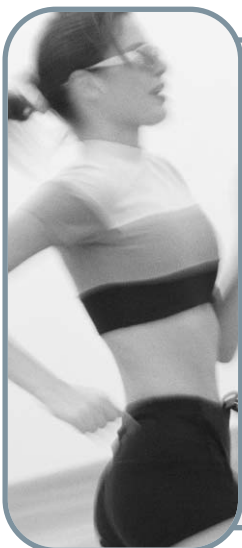
- All receipts should be itemized.
- Pick up your prescription the same day as you order it from the pharmacy. If you don't, you can count on getting a letter requesting a receipt. These transactions cannot be matched to a claim by the BCBS computer because the dates will be different.
- Using the card for a dental procedure? Chances are you will be asked to provide a receipt, so hold on to it.

- Remember, you may be able to purchase glasses, contacts and over-the-counter medications with your flex card but those purchases are not filed on your health coverage so BCBS cannot substantiate those charges without your help. You will be asked for a receipt on those items.

- Have you looked everywhere but you just can't find a receipt that has been requested? You will be required to refund the amount charged to BCBS.

- Respond immediately when you receive a letter requesting a receipt or additional information from BCBS. Failure to respond will result in the deactivation of your flex card.

However, if you feel that the relationship between you and your Flex Card cannot be salvaged, we will help you change to another method of reimbursement. Give us a call at 1.866.833.3378. If you're calling from the Montgomery area the number is 334.263.8312. Questions regarding claims should be directed to BCBS at 1.800.213.7930.



## Exercise Your Right To Be Healthy!

### MAY 14 IS NATIONAL EMPLOYEE HEALTH AND FITNESS DAY.

This year's Montgomery event will take place from 12:00 – 1:00 –pm in the Circle of Flags at the State Capitol. Details are:

- Walkers will follow a planned route around the Capitol Complex
- Blood pressure evaluations will be available before and/or after the walk
- Souvenir tee-shirts will be available for purchase

- Delicious, wholesome treats will be provided

If you would like to organize an event for your area, contact Ronnie Floyd with the Governor's Commission on Physical Fitness at 334.242.4496 or Laurie Eldridge at 334.206.5651. They can help you select a date that will be convenient for your group.



**STATE EMPLOYEES'  
INSURANCE BOARD**  
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Montgomery AL 36130-4900

PRSRT STD  
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Permit No. 109

## Field Benefit Advisors AT YOUR SERVICE



### **Kerry Schlenker**

Toll-Free: 1.866.838.5027  
kschlenker@alseib.org

### **Rick Wages**

Toll-Free: 1.866.841.0980  
rwages@alseib.org

### **Marsha Abbett**

Toll-Free: 1.866.841.9489  
mabbett@alseib.org

### **Tonya Campbell**

Toll-Free: 1.866.841.0978  
tcampbell@alseib.org

### **Connie Wood**

Toll-Free: 1.877.500.0581  
cwood@alseib.org

Don't forget to call our health insurance benefit advisors, located conveniently throughout the state, for all your enrollment, benefits, and options questions. Listed here are the advisors, their territories and several ways to contact them. You should contact the advisor assigned to your county of employment.

**NOTE: All health care claims inquiries must be directed to Blue Cross Blue Shield.**