

Healthy Outlook

A Benefit Specialists of NY Publication

Helping You Navigate the Health Care System

November 2006

HACCNY Selects Executive Director

Nancy Smith has been selected to serve as executive director of the Health Advancement Collaborative of Central New York (HACCNY). Smith has extensive experience in health policy reform and health systems design across government, nonprofit, for profit, and academic sectors. She brings the passion and management skills required to meet the goals and objectives of the organization.

HACCNY, a not for profit corporation, was formed by the Greater Syracuse Chamber of Commerce, Metropolitan Development Association of Central New York (MDA), Manufacturers Association of Central New York (MACNY), Onondaga County Medical Society, Excellus, and the Hospital Executive Council, for the purposes of advancing the delivery of quality care, improving access to quality care, and employing technology to enhance the delivery of care and controlling health care costs in CNY.

The board of directors is comprised of members from each of the founding organizations. Steve McCormick, senior plant manager

of Anheuser Busch, Inc., serves as chairman of the board.

The board has created various subcommittees to address the major concerns confronting stakeholders comprising the health care system. These stakeholders include government agencies, providers and facilities, employers, employees, insurance carriers, and pharmaceutical companies. These subcommittees are researching the effectiveness of proposed programs and are developing implementation strategies for each of the projects identified.

HACCNY is also working to improve efficiency within the health care system and to educate individuals about how to effectively navigate the health care system. The organization will identify and analyze changes in the industry and share this information with patients, providers, insurers, employers and other stakeholders.

For more information about HACCNY, please contact Nancy Smith at (315) 671-2241 or nsmith@healthadvancementcollaborativecny.com.



Nancy Smith

New York State Senate Passes Mental Health Parity

by Deb Warner, Director of Government Affairs, Greater Syracuse Chamber of Commerce

LEGISLATIVE UPDATE

After several years of lobbying, the New York State Senate and Assembly reached agreement on a compromise version of this new health coverage mandate. The Senate recently returned to Albany to pass the bill. The Assembly is expected to return before the end of the year for their vote. Proponents have been persistent in their efforts to enact a state mandate that mental and emotional ailments be covered on par with physical ailments in all health care policies in New York. However, this legislation, like other state mandates, does not apply to groups that self insure.

The bill's requirements spell out a list of disorders covered on an unlimited basis with special emphasis on children. For children under 18, policies would cover attention deficit/hyperactivity disorders, disruptive behavior or perva-

sive development disorders where there are serious symptoms of suicide or other life-threatening destructive behavior; significant psychotic symptoms, behaviors caused by emotional disturbances that place a child at risk of personal injury, etc. Not included are treatments for drug and alcohol additions.

Insurance companies will have to cover 30 inpatient days and 20 outpatient days of treatment per year. Coverage is mandated for "biologically based" mental illnesses, such as schizophrenia/psychotic disorders, major depression, bipolar disorder, delusional disorders, panic disorder, obsessive-compulsive disorder, bulimia, anorexia and binge eating.

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A New Chapter for Retirement

"Will you still need me...when I'm 64?"

It's a question Paul McCartney asked in a song he wrote as a young man. In it, the former Beatle envisioned life at 64 "doing the garden, digging the weeds...yours sincerely wasting away." Yet it seems as though Paul has defied his original vision of retirement. Reaching 64 himself this year, he is still recording music and playing to sold-out crowds. He is even thinking about rewriting his now-famous song.¹

FINANCIAL PLANNING

Just as Paul McCartney has rewritten his vision of retirement, today's companies are rewriting the retirement rules for working Americans. Many companies are shifting away from traditional defined-benefit pensions and moving to defined-contribution plans like the 401(k), which makes employees responsible for funding their own retirement.

Defined-contribution plans offer workers a number of benefits. Plan participants typically have several investment options and greater control over their retirement accounts, which are portable when they change jobs. Many employers may also offer matching employee contributions.

Distributions from most employer-sponsored retirement plans are taxed as ordinary income and, if taken prior to reaching age 59 1/2, may be subject to an additional 10 percent federal income tax penalty.

Making the Switch

A number of companies are taking steps to help ease the transition for workers. Many are enhancing the benefits of their existing defined-contribution plans by increasing the

amount they contribute to employees' accounts and/or enhancing matching contributions.

Congress, too, recognizes the need to help workers save more for retirement and is expected to offer incentives to help spur savings. It is also taking steps to help shore up funding for the Pension Benefit Guaranty Corporation, which helps protect American workers who have pensions from the risk of pension default.²

What to Do

The good news is that a majority of companies should be able to pay their promised pension benefits. But in light of recent trends, it may be wise to consider all possible sources of retirement income when reviewing your retirement strategy.

With the changing retirement landscape, there may be no better time to size up your current situation. Your pension may be just one piece of your retirement funding pie.

Please visit www.DonahueFinancial.com for more information and articles like this.

- 1) *The Sun Online*, 2005
- 2) *The Wall Street Journal*, January 4, 2006

Not Written in Stone

A recent survey found that...

29%

of the companies were considering closing their pensions to new employees.

16%

were considering freezing benefit accruals for some or all of the current participants.

Source: *The Wall Street Journal*, January 12, 2006

BSNY Expands Products and Services



Thomas Donahue

Meet Thomas Donahue, CFBS & Donna Herlihy of Donahue Financial Management Group (DFMG). Benefits Specialists of NY (BSNY) and Donahue Financial Management Group (DFMG) formed a strategic alliance in September 2006 to better serve our clients and the Central New York Community.

Tom earned his designation as a Certified Family Business Specialist in 2005. A CFBS professional is a designation held by approximately 300 financial services professionals who have completed a rigorous educational program at The American College in Bryn Mawr, Pennsylvania. This achievement places him in a distinct



Donna Herlihy

class in the financial services industry where providing services to family-owned businesses regarding succession planning, business valuation, family business dynamics, and financial service products specifically tailored to family business needs is critical.

Donna has worked in the insurance industry since 1999 and specializes in income replacement strategies and life insurance, individual disability income contracts, retirement contribution protection, buy-sell disability income contracts and business overhead contracts.

Through the end of 2006, DFMG will be offering a free BusinessReview. This exciting benefit will include a review of your business insurance costs and compliance with 404C and your fiduciary liability under ERISA.

Please call us at (315) 470-1889 to schedule a free BusinessReview.

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To advertise, please contact Bob McLean at (315) 470-1832

or visit us online at www.BenefitSpecialistsNY.com/HO

The information included in Healthy Outlook is meant to help you navigate the healthcare system. Always consult your doctor regarding your health and your health care.

Protecting Your Company & Your Employees

Regardless of your company's size, here's what you should know about your liability for identity theft!

Facts that may impact your business:

- Do you have customers' personal information?
- Do you have employee records?
- Do you have vendor data?

If any data regarding your customers, employees or vendors is stolen, lost, mishandled or misplaced, you may find yourself facing legal issues.

John Gardner, a leading authority on the identity theft crisis says, "The Federal Government can't catch the identity theft criminals, so they've decided to place the responsibility of the crime on you, the business owner, with the creation of FACTA (the Fair and Accurate Credit Transactions Act)."



Care should be taken at ATMs to prevent thieves from viewing ones PIN.

On July 21, 2005, the Wall Street Journal published an article titled "Security Breaches of Customers' Data Trigger Lawsuits." The article reported that for the first time, the FTC has "invoked its authority to pursue unfair business practices involving lax computer security."

"The responsibility and liability to protect personal information is squarely on the shoulders of the business owner – regardless of how big or small an operation may be," says the vice chairman of a large regional bank. "We're also making the Identity Theft Shield product, which we consider to be the best on the market, available to our employees and our customers."

Many people relate identity theft to just credit card theft. But in fact, identity theft actually involves these five different areas.

- 1. Department Of Motor Vehicles** – an identity thief could obtain a drivers license in your name and accumulate traffic tickets in your name.
- 2. Social Security** – an identity thief could use your Social Security number for employment purposes and you could get the tax bill.
- 3. Medical Information Bureau** – an identity thief could use your personal information to obtain prescriptions or medical help which might reduce your available benefits.
- 4. Criminal Identity** – an identity thief could use your information to escape fines or jail time.
- 5. Financial Identity** – an identity thief could use your information to obtain money, goods, or services leaving you with the bill.

Please contact Benefit Specialists of New York at (315) 470-1930 for more information on Identity Theft Shield Protection and Pre-Paid Legal Services.

Viewpoint: Tapping Into a Healthy Lifestyle Online By Kelly Shea-Bradley

Despite numerous media reports and accolades for companies that have adopted successful health programs, some employers still do not offer effective education programs that can increase productivity and prevent or reduce absenteeism. Your employees' health issues can result in a significant financial impact for your organization.

I believe that educating employees to take a more active role in their health care is the answer. Your employees and their families need information and tools that can help them make informed decisions about their health and health care. Your health plan may offer programs and services that can help your employees and their families identify health risks and provide education on prevention and self-care – ultimately moving them toward healthier lifestyles and better management of chronic conditions.

Raising health awareness within your organization and motivating employees toward healthier lifestyles does not need to be expensive or time consuming. In fact, it may actually save you money, increase productivity and employee morale.

While the exact cost-effectiveness of wellness programs is hard to measure, according to the U.S. Office of Disease

Prevention and Health Promotion, the average cost-to-benefit impact of these programs was a two dollar healthcare cost savings for every dollar spent on the programs. In addition, a survey of Fortune 500 companies found a focus on wellness can lower employee health and disability costs by as much as 31 percent or \$2,398 per employee.



Kelly Shea-Bradley is the Director of Corporate Communications for MVP Health Care.

Your organization can promote a healthier lifestyle by:

- offering access to an on-site gym or discounts to a gym;
- creating a walking club or company sports teams;
- offering free, on-site wellness classes;
- printing health tips in your employee newsletter;
- providing healthy snack options in vending machines;
- reminding employees about the benefits of an annual physical and age appropriate preventive health screenings such as mammograms and colorectal exams.

For more information about this topic and other important health and safety issues and adopting a healthy lifestyle, be sure to visit MVP Health Care through its Web site at www.mvphealthcare.com.

Questions To Consider When Choosing a Health Plan

It's that time of year again, when most of us are asked to choose our health plan for next year. It is important to not make this decision lightly. Think of these questions when you're faced with making a health plan decision.

INDUSTRY NEWS & MARKET TRENDS

What is the real total cost?

When asked the cost of their health plan, most people will tell you that it is the amount deducted from their pay. But the true cost includes not only the annual premium, but all costs that you are responsible to pay, based on your benefit design. Consider carefully if there's a deductible before coverage begins, as well as co-payments and coinsurance costs. Be sure you understand the cost of office visits, emergency services, hospitalization and prescription drugs. Calculate

your average annual visits, and then also determine what could be your 'worst case scenario', to get a better feel for your potential annual health care cost. It is important to project your annual health care costs by reviewing your current



health care situation. For example, consider your average number of doctor visits, prescriptions drugs, preventive and wellness visits, and other health services you routinely use.

Is there catastrophic protection?

Find out if the health plan includes an out of pocket maximum, which will limit your liability for a given calendar or plan year. Be sure to ask if the out of pocket maximum includes the deductible. Typically, once the out of pocket maximum is met, the health plan will pay 100 percent for covered services. In addition to the out of pocket maximum, ask if the plan includes an annual or lifetime benefit maximum? A catastrophic event like a premature birth or cancer treatment could easily use up a low annual or lifetime benefit maximum.

Can I continue to see my doctor(s)?

Many plans today are network plans, meaning you must see a doctor in the health plan's network for benefits to be covered. Call the health plan(s) or use their Web sites to verify that your doctor(s) is participating - - hard copy directories are out of date as soon as their printed because networks are updated on a daily basis. Also, find out how easy it is to change your doctor with the health plan, if the need arises. You can also call your doctor(s) about the health plan(s) you're considering, to see how well they work with the physicians on specialty care, services, and claims payment.

How easily can I see a specialist?

Find out if your plan requires a referral from your Primary Care Provider for specialists' services, or if it's an open access plan where you can simply schedule an appointment for yourself with a participating doctor. An HMO will typically require referrals, while a PPO or EPO will provide open access. Be sure to ask if you have coverage if you see a non-participating doctor; most PPO's provide coverage, at more out of pocket expense for you.

Can I go the hospital of my choice?

The same as doctor access, some health plans may not cover services at all hospitals. If there is a hospital you prefer for emergency and planned care, call the health plan to verify that the hospital participates in their network. It is also important to determine if the anesthesiologists that provide services at that hospital are participating in the network. Be sure to ask if they participate for both services provided when admitted, as well as outpatient services (such as x-rays, laboratory, therapies, etc.).

What if I'm traveling out of the area and need medical care?

Ask not only if out of area coverage is provided, but specifically what types of services. Many plans will only cover emergency or urgent care outside of their service area. Some plans may cover all care, but you must use a provider that participates in their national network, or need prior authorization.

Are prescription drugs covered?

Ask if prescription drugs are covered, and if yes what is your cost? Many plans are providing a "tiered" cost structure, meaning you pay a lower copayment for tier 1 medication, and higher copays for tier 2 and tier 3 prescription drugs. Ask if the plan includes a formulary - a list of prescription drugs that will be covered by the plan. Be sure to have the formulary available when visiting your doctor, so they can prescribe the most effective medication to treat your condition at the lowest cost. It is extremely important to understand what medications require prior authorization, or have restrictions attached to them. This should also be defined in the formulary.

Are there limits on any of the covered benefits?

Find out if there are any limitations that apply to the covered benefits. Some typical limitations include visit limits for mental health and substance abuse, as well as for physical therapy. There may also be cost limitations on items such as durable medical equipment.

What additional benefits are covered, besides standard office and hospital care?

Some plans may include coverage for alternative medicine, such as massage therapy or acupuncture. Others may have "value added" benefits for their member, not insured services but discounts to local gyms or health education programs such as smoking cessation or weight loss.

What's next...

Now that you've selected a plan, how do you get the most out of it?

- Read your health care policy and member handbook or other information that you are sent. Keep this information in a handy place, readily accessible if you have questions.
- Check out your health plans Web site. There may be services you can access via the Web, i.e. Provider directories, drug formularies.
- Health insurance carriers have invested in increased service and technology, to meet the informational requirements of today's health care consumer. They are trained to know your specific plan and how you can get the most out of it. Call your health plan's customer service department for help.
- If a health plan representative visits your work site, take the time to meet with them.
- Talk to your doctor -- be an active participant in your health care. Ask questions about treatment options, testing, and routine care schedules.
- Keep a file at home for each member of the family that includes immunization records, surgical history and any important health information such as drug allergies.

Parity

continued from front page

In response to concerns voiced by the small business community, the agreement requires the state superintendent of insurance to develop a means to hold businesses with fewer than 50 employees harmless from any increase in costs resulting from this act. Also required is a utilization analysis for two years to assess effectiveness. If approved, as expected by the Assembly and Governor, it will take effect on January 1, 2007 and sunset on December 31, 2009.

How much will this cost? Most expect a premium increase of one to two percent. Estimates for the cost to taxpayers of the small business subsidy range from \$30 to \$90 million, with more agreeing in the area of \$60 million. Proponents have made a strong case that businesses will benefit with increased wellness and productivity of their employees and families.

In the Spotlight...

Flexible Spending Accounts (FSAs), contain benefits for both employers and employees.

Advantages to an Employer:

- **Save on payroll taxes** - Employers will save on every dollar their employees redirect into the FSA.
- **Cushion premium increases and cost shifting** - An FSA can lessen the impact of these changes to an employee's paycheck.
- **Cut your retirement plan expense** - Since profit sharing, 401K and pension plan contributions are based on employee's taxable salaries, the employer's retirement expenses may be reduced.

Advantages to an Employee:

The money directed by an employee into an FSA is not taxed, so they will save on:

- **Federal Income Tax**
- **State and Local Tax** (where applicable)
- **Social Security Tax** (assuming their salary is below the maximum social security wage base)
- **Tax free money for qualified medical expenses** not covered by their insurance.

Benefit Specialists of NY's in-house Flexible Spending Account program has features that set us apart from others administrators:

- Weekly reimbursements by check or direct deposit
- Personal service and commitment by a local, dedicated staff
- Employee Web access to their account balance, forms and information
- Easy claims submission
- Proven claims accuracy, helping you better control your money

Please call (315) 470-1930 to schedule an appointment with an account representative to discuss how an FSA can save you and your employees' money.

Act responsibly.
Offer your guests the choice
to have a non-alcoholic beverage
at your holiday gathering.

**Call Prevention Network
at (315) 471-1359
for a list of non-alcoholic
beverage recipes.**



Questions for your Pharmacist

By Ron Romano, Clinical Pharmacist, ProAct Inc.

Understanding your medical conditions and medications can be very challenging. Your health is very important to us, so use the expertise of your healthcare providers to help you live a longer, happier, and healthier life. To help you better understand your conditions and the medications used in their treatment, ask your doctor or pharmacist the following questions.

What are the treatment options for my condition?

There is usually more than one option for treating a particular condition. In some cases, prescription medication may not be required for less severe or self-limiting conditions. Your physician should discuss with you the options available.

If I require a medication, which one is best for me? Is there a generic drug that will accomplish the same goal?

As stated above, there is usually more than one option available to treat a particular condition. By talking to your physician, you can determine what may be the best course of treatment for you. In many instances a generic medication may be available for you to take. Generic drugs are required to pass the same tests that the more expensive, brand name medications must undergo. Therefore, generic medications offer a high quality, cost-effective way to help you manage your particular condition.

Check with your physician or pharmacist to see what generic medications may be appropriate for your condition.

How long do I have to take this medication for?

Depending on your particular condition, you may need to take medication either short or long-term. Some medications must be taken every day, while others may be used on an "as needed" basis. Your physician should explain to you the nature of the illness which will dictate how you should take your medication. Your physician and pharmacist will be able to answer any questions that you may have on the proper use of your medication.

How long will the medication take to work?

Although many medications begin to work soon after the first dose, there are medications which require longer to exert their effects. For instance, anti-depressants usually require anywhere from 2-8 weeks to reach their maximum effect. Antibiotics will typically take at least a couple days before individuals begin to feel better, and should always be continued for the full course of treatment. Be sure to speak to your physician or pharmacist about how long before you can expect to see results from your medication.

Are there any side effects, drug or food interactions that I should be aware of?

All medications have the possibility of causing side effects. Some side effects are mild and may only last a short time, while others can be more severe, lasting for longer periods of time. Medications can interact with other medications (both prescription and over-the-counter), certain foods, and herbal or vitamin supplements. Drug/drug and drug/food interactions can be complex, and therefore it is important to provide an up-to-date listing of all medications you take to your health care professional. This will allow for selection of the best course of treatment with the lowest potential for side effects.

Does your prescription plan have a Preferred Drug List or Formulary?

If so, be sure to bring it to your physician at each visit. You may even want to leave a copy of this list to be put into your chart and provide updated copies when available. Physicians typically see many patients who have different health plans and drug formularies. By providing this list, your physician will have access to finding a treatment that will best fit your needs.

It's That Time of Year Again!

The fall open enrollment season is fast approaching. Benefit Specialists of NY (BSNY) is a licensed, independent agency serving the insurance needs of businesses throughout the region with unsurpassed commitment, products and guidance. Our product offerings include health, dental, vision, life, NYS DBL, Short-term disability, Long-term disability insurance and Flexible Spending Account administration. The staff continually works with all of the insurance carriers to keep up to date on the newest and most cost effective insurance plans to meet your business needs. If you are currently our client, you will be hearing from us in the next couple of weeks about your insurance plan renewals. Let us help you navigate the healthcare system this fall. Call (315) 470-1930 or visit us online at BenefitSpecialistsny.com

Becoming Disabled: The Odds Are Higher Than People Think

By Bruce Shutan

Contributed by Matthew McAnaney, Regional Director, The Guardian Life Insurance Company of America

It's no secret that long-term disability (LTD) insurance is a low priority for many consumers. This is evident in individuals routinely underestimating the possibility of becoming disabled and running the risk of incurring serious debt from such an occurrence.

Consider that upwards of 375,000 Americans become disabled every year. A 35-year-old's chance of missing 90 days or more of work before age 65 is 50%, while one in seven of those individuals can expect to be sidelined for five years, according to the ProtectYourIncome.com Web Site.

The U.S. Bureau of Labor Statistics' national compensation survey also found that roughly 70% of working Americans have access to medical care, 52% life insurance and 46% dental care, compared with just 30% for an LTD product.

Moral imperative

The Guardian Life Insurance Company of America is doing its part to spread awareness about the need for affordable and flexible LTD benefits that help consumers with financial peace of mind, particularly among small and midsize employers.

"Insurers have a responsibility to help people understand what their risks are and provide ways for them to protect themselves against those risks," observes Craig Guiffre, vice president of the carrier's Group Life and Disability Strategic Business Unit.

The loss of a working spouse in dual-income households can be devastating. Even just one individual missing work in a relatively small family business, law office or medical practice that lack HR and financial resources to adequately manage claims and shift work from one location to another can pose significant problems, particularly if there's highly specialized knowledge or machinery involved.

In most cases, they will be sidelined by heart disease and back problems – the two leading causes of disability. While the latter may not always be so preventable in a workplace where accidents will happen, the former appears to be well within the control of many people.

"If you're engaged in heavy lifting at work or involved in a car accident, then a back injury isn't all that surprising," Guiffre says, "But for something like cardiovascular disease, most people sadly don't realize they have a problem until they have a heart attack." The same generally holds true for diabetes, blood disorders, cancer and asthma.

There's a tendency to play down the effect of an injury or illness, as well as overestimate one's ability to find employment after becoming disabled, or to receive government assistance. Many employees do not realize that benefits-

eligibility requirements relating to the disability portion of Social Security benefits have substantially tightened in the past decade.

"You pretty much need to be unable to do anything," he says, "and, in fact, it's now at the point where many (Social Security) claims are denied up front when cases are reviewed on the first pass. Individuals often require multiple levels of appeal to secure benefits."

Vendor benchmarks

When selecting a disability carrier, there are several key areas for employers and brokers to consider along the road to building a formidable partnership. The most important, of course, is working with a financially solvent and credible organization that can pay claims in full and on time. Others include:

- *Social Security claims assistance.* As previously noted, this process can get complicated and there are numerous forms to fill out. But it also involves preparation for the possibility of having to appear before a disability assessment team at the U.S. Social Security Administration's nearest branch office or file an appeal with an administrative law judge, which may even be partially paid for by the insurer.
- *Rehabilitation services for early return to work.* To help claimants remain as highly functioning as possible, what's needed is an evaluation of the individual's workplace and recommendations for accommodations or various treatment options that may include physical or occupational therapy.
- *Role of clinicians in evaluating disabilities.* Medical professionals employed by the insurer who are not only able to intelligently converse with claimant's physician, but also are up to date on new treatment options, will vastly improve disability management, especially if there's a difference of opinion or unusual condition with a number of co-morbidities.
- *Claims reviewer caseloads.* The issue is to ensure the right level of attention is paid to fully and fairly evaluate each claim, secure all the benefits to which claimants are entitled and provide any necessary follow-up assistance.
- *Integrated approach to absence management.* Multiple vendors handling everything from STD, LTD and workers' comp to behavioral health and family and medical leave absences must be willing to work together and coordinate care on behalf of each claimant.

Bruce Shutan, former managing editor of *Employee Benefit News*, is a freelance writer based in Los Angeles.

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costs and your
blood pressure.



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