

New Jersey Association of Health Underwriters

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NJAHU News

www.njahu.org

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Why Advertise with the NJAHU?

NJAHU is now accepting advertising for the winter issue. Reach brokers who provide guidance and recommendations to more than 400,000 insured people in New Jersey.

NJAHU News is the only publication that focuses specifically on news affecting health insurance brokers in New Jersey, providing a direct line of communication to your targeted audience at a reasonable price.

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HIAPAC Works for You

Our Political Action Committee (Health Insurance Agents Political Action Committee) makes contributions to legislators influential in the healthcare arena. This is your very own PAC, working for you. Log on to www.njahu.org to learn how to contribute.

McCain and Obama Split on Health Care

As the race for the White House reaches the final lap, you are going to hear a lot about health care and your clients will likely want to know where you stand. Here is a non-partisan synopsis of where the candidates stand on the issues.

John McCain

The Republican contender believes that controlling costs is the key to making health care more affordable, saving Medicare and Medicaid and protecting health benefits for retirees. He sets three primary goals:

- Paying only for quality care
- Offering diverse insurance choices responsive to individual needs
- Restoring a sense of personal responsibility.

McCain advocates for market solutions, such as allowing companies to provide insurance nationwide. He believes individuals should have a variety of plans to choose from and would offer tax credits and health savings accounts to help pay for them. He favors allowing safe prescription drugs to be imported and more generic drugs to be on the market to control drug costs.



Barack Obama

The Democratic candidate wants to provide health insurance coverage to every American, through both public and private means. His plan would mandate that all children have health care coverage.

Those who have insurance through their employers or who qualify for Medicaid or the State Children's Health Insurance Program (SCHIP) would be able to keep that coverage. For those who don't, Obama would create a new public insurance program.

People could not be turned away because of illness or pre-existing conditions. Estimated annual costs for his program would be \$50-\$65 billion, financed by rolling back Bush tax cuts for people making more than \$250,000.

A non-partisan, side-by-side comparison of the candidates' positions on health care is available at: <http://www.health08.org/sideby-side.cfm>

Through this website, you can also create a custom side-by-side summary with specifics where the candidates stand on the issues.

You can also check out www.nahu.org, which is always up to date on campaign issues.



It's Not Too Late to Clinch the President's Triple Crown in 2008

You've worked hard all year to make NJAHU the best it can be. With just a little more effort you can win the President's Triple Crown.

NAHU gives out the award to active members whose individual contributions advance the association's mission. Like baseball's Triple Crown, it recognizes accomplishments in three key areas. However, while baseball's Triple Crown hasn't been won since 1967, NAHU's Triple Crown can be won every calendar year **by you**.

Here is the award criteria:

HUPAC: Participate in \$10 x 12 draft program or contribute \$150 total

Membership: Recruit two or more new members

Advocacy: Use Operation Shout to send three or more messages

One, two, three — it's that simple! While members have one year to complete the requirements, winners are announced quarterly.

News from the Legislative Management Team

By David Mordo

New Proposed State Legislation

A-2767 (Webber) "The New Jersey Healthcare Choice Act" permits health insurers licensed in other states to provide coverage in New Jersey under certain circumstances.

A-1939 (Conaway) "The New Jersey Health Insurance Connector Act" calls for the creation of an independent public entity that would offer insurance plans to employees in the 2 to 50 marketplace.

S-1376 (Vitale) Provides premium assistance to certain small employers who purchase health benefits plans; appropriates \$10 million.

New Proposed Federal Legislation

S-334 (Wyden) "Healthy Americans Act" A bill to provide affordable, guaranteed private health coverage that will make Americans healthier and can never be taken away.

Your Legislative Management Team at Work

As we get closer to Election Day on November 4, there will be an increasing number of fundraisers that NJAHU members will be asked to attend. If your schedule permits and you are a constituent whose state senator or assemblyperson is having a fundraiser, we encourage you to attend as a NJAHU representative. Our HIAPAC will make the necessary contribution.

The Times They are A-Changin'



Richard E. Wheeler

Greetings.

As we approach NJAHU's second quarter and watch the uncertainty around us, I hope you are taking advantage of everything NJAHU has to offer you to help grow your business. These tools include continuing education, informative brochures, great meeting topics and outside speakers. We also provide strong legislative advocacy.

We are in a position to help shape our industry's future. We know that change is on the horizon. We need to be the "go-to guys." But we need more than your dues; we need your involvement. Please attend your local meetings. Please share your voice and your ideas. We need to speak with one voice or we will be drowned out by those with other agendas.

Hope to see you at one of the meetings soon.

Thanks,

Rick

Richard E. Wheeler, RHU, CSA, CLTC
President, NJAHU

Legislative Update

By Joan Fusco, HIA, PAHM, RHU

Brokers must always be aware of upcoming deadlines, new legislation and policy changes. This year, there are a number of such changes that will take place in the coming months that your customers may be asking you about, including:

- As part of P.L. 2008, c.38 (the Vitale bill), the **Dependent to Age 30** law of May 2006, the age of eligible dependants for family coverage will increase from age 30 to age 31, effective January 5. Also, eligible dependents no longer must "age out" of a NJ plan as long as they can provide a COCC (Certificate of Creditable Coverage). Notification requirements rest with the carrier four times per year.

- **Transparency:** Base plans and all riders must be listed; subdivided costs must be transparent. HealthConnect can no longer bundle the costs. This is also part of the Vitale bill.

- Congress recently enacted its **Data Match Legislation**, which states the IRS, SSA and CMS (Center for Medicare & Medicaid Services) must share information for persons eligible for Medicare. The purpose is to identify situations where another payer may be primary to Medicare. The government will accomplish this by sending employers questionnaires seeking information about their business and employees. Brokers should be aware that these questionnaires will be coming so they can explain them to their customers.

- Two additions have been made to the Federal

FMLA (Family Medical Leave Act). Up to 12 weeks of paid leave can be granted for family of "active duty military" including National Guard and Reserve members. Up to 26 weeks of paid leave can be granted for family of military members who were injured or rendered ill due to military duty.

- **New Jersey's paid leave** provisions will begin next year. The leave is for the serious health condition of a family member, including domestic partners and civil union partners. Employees who earned \$143 per week for 20 weeks prior to taking the leave and who paid into TDI (NJ Temporary Disability Insurance) are eligible. The plan allows up to six weeks or 42 days with partial wage replacement of up to \$524 per week. A new payroll tax of \$33 per year will take effect on January 1, 2009, and the first leave will be permitted as of July 1. Employers can self-insure or opt for a private plan if they become available.

- Open enrollment for **Medicare Part D** begins on Nov. 15. Employers must notify persons covered on their health plan who are Medicare eligible (including COBRA individuals) if their Rx plan is creditable or not before open enrollment and report to CMS online. For 2009, the deductible is \$295, coinsurance of 25% up to \$2,700, and the out-of-pocket threshold is \$4,350. After a total expenditure of \$6,153.75, the member pays 5% coinsurance for a minimum copayment of \$2.40 for generic and preferred and \$6.00 for other prescription drugs.

Chapter News

Central

Stephen Honig, chapter president, reports a busy year is planned, including opportunities to earn CE credits and to keep chapter members current on the latest news impacting their businesses and clients.

The fall kick-off meeting was held September 11 at the Omega Diner in North Brunswick, featuring a state and national legislative update on industry issues.

"With a critical election year right around the corner, participation in these important issues becomes ever more vital in the success of preserving and improving our current health care system, as well as our careers," Honig said.

Honig urges members to understand the importance of their involvement in the chapter this year, encouraging everyone to bring potential new members to chapter meetings.

Monmouth-Ocean

Desmond Slattery, chapter president, reports the chapter launched the season with a board meeting at his office, at John J. Slattery Associates, Inc. On Sept. 18, the chapter held their monthly meeting at the AIG Building on Route 66 in Neptune. David Armstong, President and CEO of AIG Benefit Solutions, spent a few minutes updating the membership on the recent financial issues that AIG is dealing with.

The chapter is planning a legislative update meeting on October 16 at the AIG Building in Neptune and a general board meeting at the same location November 20.

North

Katie Skilton, chapter president, reports the North chapter has been busy and has some exciting news to share.

First, the chapter welcomed three new members to the board. Greg Roth from the Roth Agency in Livingston has joined the board as awards chair.

Matthew Basile, an independent broker from Bloomfield, also joined the legislative team. Tom Siino, of Executive Benefits Group LLC in Clifton, joined the board as program co-chair.

The chapter put together a CE class, sponsored by Savoy Associations School of Insurance, featuring Ellen DeRosa of the Small Employer Health Benefits Program. The event, on September 16, was well-attended and everyone enjoyed the class. Ellen has been a featured speaker before, and her classes are always a smart and informative way to get CE credits.

A great time was had by all at the 14th-annual charity golf classic. This year, it was held at Farmstead Golf & Country Club in Sparta on September 24 with proceeds benefiting Newark Renaissance House.

Northwest

Jim Stenger, chapter president, reports that there will be a legislative update at the Northwest chapter's October meeting. The chapter is exploring options for meeting locations, so the date and location of the meeting has not yet been announced.

The chapter's golf outing on Sept. 8 was a roaring success. Sixty golfers came to the Lake Mohawk Golf Club in Sparta for a day of beautiful weather and fun on the links. The golfers played a scramble format and prizes were awarded for men's long drive, women's long drive and closest to the pin. A barbecue dinner was served that evening and a brand new Calloway driver was raffled off.

"I'm proud to say we had a successful golf outing and were able to raise money for the chapter," Stenger said. "We look forward to a productive year in the Northwest chapter."

Anyone with questions about the October meeting date and location can contact Stenger at 973-538-8700 ext. 243.

South

Kathy Burton, chapter president, reports the South Jersey chapter already has a full schedule of activities for the year. The season kicked off September 23 with a CE class in Cherry Hill, titled, "Medicare: Who Pays First; Who Needs Part B."

The fall schedule continues with a CE class on October 28 at the Shore Diner, a Carrier Panel on November 18 and the holiday cocktail party on December 11.

On behalf of the 2008 officers and board members, Burton welcomes these new members: Tamie Brown, Annette Festa, Claire Waxman and Mark Miles.

The Lighter Side of Insurance

An eye doctor, a priest and an HMO CEO were waiting to tee off at a NJAHU golf outing.

Two guys in front of them were stumbling around, hitting balls in all directions, swinging and missing and in general holding up the whole show.

The club pro happened to walk by and the three called him over to complain about the two in front of them.

The pro said, "Oh, lighten up a little. Those are two firemen that lost their sight while fighting the fire we had in the clubhouse last winter. We let them play whenever they want for free."

The priest contritely said, "I feel so bad for thinking ill of those two. I'm going to offer special prayers for them."

The eye doctor said, "I feel the same way, I'm going to get with some of my colleagues and see if there isn't something we can do for those guys."

The HMO CEO replied, "I just wonder why these guys can't play at night?"



Go Online for CE Training

The NJAHU, in partnership with RegEd, now offers Insurance Continuing Education online. Members can purchase advanced courses and receive a free certificate of completion.

This is a great professional resource for education, information and advocacy. There is a comprehensive course library of more than 150 continuing education courses that covers the industry's hot topics and important regulatory issues. Go to www.njahu.org for more information.

News Briefs

NJ Joins in \$20 Million Fine of Insurer

A \$20 million fine was recently levied against HealthMarkets, Inc. and its subsidiaries as a result of the company's "widespread" deception of its consumers.

New Jersey was among the 29 states that participated in the case.

The settlement agreement was the result of a multi-state examination of the Texas-based insurer's practices, which was initiated in 2005.

The investigation found that the companies committed multiple violations, including targeting their sales to self-employed individuals and selling the health plans through associations. In many instances, the benefits covered by the plans were not adequately explained to consumers.

Such a high penalty was levied because the companies were "misleading consumers into believing they had comprehensive health insurance when in fact it was very limited," according to the complaint.

Marketing and Medicare

Approximately 85 percent of marketing materials used by private insurers for prescription drug plans don't meet all of Medicare's guidelines for the products.

According to a group of federal auditors, marketing products including enrollment applications for Medicare drug benefits as well as those explaining the plan's benefits and rules don't meet the numerous requirements put in place by the Centers for Medicare and Medicaid Services. Auditors found that these materials often violated one or more requirements for how the information is supposed to be presented to elderly and disabled participants.

For example, many plans did not explain that customers could go to pharmacies other than the one advertised on the marketing product to get their prescriptions. In other examples, the material did not include an alphabetical index of drugs covered by the plan, an omission that makes it more difficult for plan beneficiaries to find information about the drugs.

Health Care Spending Hits Home

A report released recently by the U.S. Census Bureau offers the latest indication that "rising health spending is eroding take-home pay" and that "immigrants are boosting both poverty and the lack of health insurance."

Now Accepting Ads for Winter '09 Issue

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Half Page <i>7.8" w by 5" h</i>	\$500	\$475	\$450	\$425
Quarter Page <i>5.8" w by 3.125" h</i>	\$325	\$300	\$275	\$250
Business Card <i>3.8" w by 2.25" h</i>	\$200	\$175	\$150	\$125

Questions? Email info@jaffecom.com

But neither McCain nor Democratic presidential nominee Sen. Barack Obama (Ill.) "seriously [address] these problems," Washington Post columnist Robert Samuelson writes. "Unless we control health spending and immigration, the economic report card will continue to disappoint," according to Samuelson.

"Low-skilled immigrants, concentrated among Hispanics, outnumber the high-skilled," and they "drag down median incomes and raise poverty and the number of uninsured" because they "can't get well-paid jobs with insurance," Samuelson writes. He adds, "Immigration's effects on poverty and health insurance coverage are greater," as "immigrants represented 55% of the increase of the uninsured from 1994 to 2006."

Samuelson writes, "If health care spending remains uncontrolled, Americans will see more of their compensation diverted from take-home pay into insurance that mainly benefits (as insurance should) a small proportion of very sick people," and "if the immigration of low-skilled workers continues unabated — whether they're legal or illegal — the ranks of the poor will swell, as will the uninsured or the costs of providing government insurance"

Lots is Happening at NJAHU. Be a Part of it!

Log on to <http://www.njahu.org/MembershipApplication.pdf> to join the association or to renew your membership.