

HEALTHCARE REFORM

How Does It Affect Me?

The Patient Protection and Affordable Care Act, signed into law by President Barack Obama on March 23, 2010 (and modified by a "reconciliation" bill that was passed three days later) provides comprehensive regulation of health care insurance in the U.S., with broad new coverage mandates for employer-provided coverage. We'll be providing you with an update in every Health Plan Herald to explain immediate reform changes that will be affecting your benefit plan.

Flex Account Limits on Over-the-Counter Medications

For groups renewing after September 23, 2010 the reform law will prohibit reimbursement of over-the counter medications (unless a physician prescribes them) through an HSA, HRA or FSA. Beginning Jan. 1, 2013, the law will cap health FSA contributions at \$2,500 a year, to be indexed annually for inflation.



Small Business Tax Credits

For the 2010 tax year, businesses with no more than 25 employees and average annual wages of less than \$50,000 are able to get tax credits to help provide insurance to employees. The credit would be up to 35% in 2010 of the employer's

contribution if the employer pays 50% of the total premium cost. In Phase II (years 2014+) credit will be up to 50%.

Coverage for Dependents up to Age 26

For groups renewing after September 23, 2010, dependent children will be covered up to age 26, regardless of student or marital status. The law will allow young adults to stay on or return to their parents' insurance until age 26. To qualify, young people must be "dependents" of their parents and not have access to insurance

through their employer. They don't necessarily have to live under the same roof. It will include married children but not their spouses or their kids. In addition, the reimbursement of medical expenses for these adult children would be nontaxable. A report issued by the Joint Committee on Taxation indicates that Congress also intends coverage for such children to be nontaxable.

Unknown

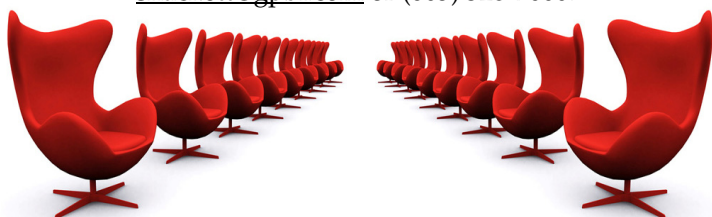
What is unknown? The new federal law provides a minimum, not a maximum, so States that have more generous laws (SD and IA) may still require companies follow state laws for dependents past ages 26. The Department of Health and Human Services will have to decide what constitutes "dependent," and the definition will not necessarily be the same one used by the IRS for tax purposes. It is unclear whether parents must wait until their health plan's next open enrollment period to sign up their uninsured older children.

- South Dakota – unmarried, full-time students covered through age 29.
- Iowa - unmarried, full-time student covered indefinitely (no age limit).
- North Dakota – unmarried, covered through age 21. Full time students covered through age 25.
- Minnesota - unmarried children covered through age 24, regardless of student status.

CLIENT SEMINAR

Health Care Reform Updates & Immediate Changes

Date: Monday, May 17
Time: 11:30 to 1 p.m.—session is full
1:30 to 3 p.m.—snacks will be provided
Location: Sanford Health Plan, 3rd Floor Conference Room
Speakers: Cindy Morrison, Vice President of Public Policy, Sanford Health; Lisa Carlson, Director of Planning & Regulation, Sanford Health Plan
RSVP: Please RSVP the number of attendees by Tuesday, May 11 to Stacy Hackett at shackett@gpbi.com or (605) 328-7000.



MEDICARE SECONDARY PAYER MANDATORY REPORTING

In our last edition, we reported that we would be revising our Enrollment Questionnaire. The new form, entitled "Medicare Secondary Payer Information Request Form", is attached to this newsletter.

We are requesting enrollment information by quarter, to ensure that we are compliant with the Section 111 reporting requirements (for determination of primary vs. secondary payment responsibility for Medicare and Medicaid). If you have questions or need additional information regarding the Section 111 reporting process, you can visit the CMS webpage www.cms.hhs.gov/MandatoryInsRep or contact our Client Services Department at (605) 328-6803.

The form is titled "MEDICARE SECONDARY PAYER INFORMATION REQUEST FORM" and includes a table for reporting quarterly data. The table has columns for "Q1", "Q2", "Q3", and "Q4".

How many total employees did you have at the end of each quarter indicated (full-time, part-time, temp, seasonal, etc.)?	Q1	Q2	Q3	Q4
How many of your total employees were eligible for health insurance at the end of each quarter indicated?				
How many of your employees eligible for health insurance were covered by Sanford Health Plan at the end of each quarter indicated?				
How many of your employees eligible for health insurance were covered elsewhere at the end of each quarter indicated?				

FLEX NEWS—WHAT'S NEW?

We are now offering a flex calculator through our *myHealthPlan* website. Your employees who have flex plans administered by Sanford Health Plan and have a member account through *myHealthPlan* will have access to this calculator. The calculator illustrates the tax savings by enrolling in a flex plan, as well as determining the best option for dependent care savings (enrolling in a dependent care spending account vs. taking the dependent care tax credit). Check it out today!

MEDICAID AND CHIP PROGRAM

If you have employees who reside in other states, they may have premium assistance programs that can help pay for their health insurance coverage. Sanford Health Plan is now including information, regarding the states that offer assistance, in all enrollment packets. We have attached a copy of this information for your reference.

UPDATE FOR COBRA SUBSIDY RECIPIENTS—FURTHER EXTENDED

The Temporary Extension Act (TEA) of 2010, that provided an extension of the 65% premium reduction for COBRA eligible individuals expired March 31. The recent signing of H.R. 4851, the Continuing Extension Act of 2010 extends the COBRA premium assistance law for people who have lost their jobs through May 31, 2010. The bill also provides transition relief for individuals who lost their jobs between March 31, 2010 and the date of the enactment, April 15, 2010. However, this is not likely the end of the COBRA subsidy program. The Senate is scheduled to review the *Jobs for Main Street Act of 2010* (the Jobs Act). If enacted, the Jobs Act would further expand the COBRA subsidy program through the end of June 2010. Sanford Health Plan continues to monitor these changes to ensure your COBRA members receive the correct notices and election opportunities.

The IRS has posted on its website a reminder that COBRA subsidy recipients who later become eligible for other group health plan coverage or Medicare should notify their plan in writing that they are no longer eligible for the subsidy, in order to avoid a penalty. If an individual continues to receive the subsidy after he or she is eligible for certain other coverage, such as group health coverage from a new job or Medicare, the individual may be subject to a penalty of 110% of the subsidy provided after he or she became eligible for the other coverage.

The IRS also notes that anyone who suspects that someone may be receiving the subsidy after becoming eligible for other coverage may report this to the IRS by completing Form 3949-A (Information Referral).

www.irs.gov/businesses/small/article/0,,id=212421,00.html

33 POUNDS AND COUNTING!



Mr. Up and Down (Jason Hubers) has now reached the 30 pound mark. Please participate in the blog at mrupanddown.wordpress.com - give him your own support and suggestions and hopefully you find some inspiration too!

Thanks for your support!

WELCOME NEW GROUPS

- | | |
|-------------------------------------|------------------------------------|
| <i>Brandon, SD</i> | <i>Huron, SD</i> |
| Total Fire Protection, Inc. | James Valley Christian School |
| Brandon Seamless Rain Gutters, Inc. | <i>Sioux Falls, SD</i> |
| <i>Brookings, SD</i> | Farmers Insurance – |
| Hungerford Chiropractic, P.C. | Tom Salestrom Agency |
| <i>Dell Rapids, SD</i> | Omegaquant Analytics |
| Dell Rapids Chevrolet – | First Dakota Title LTD Partnership |
| Pontiac, Inc. | North Central Insurance |
| | <i>Lawton, IA</i> |
| | Icon Ag Solutions, L.L.C. |



**MEDICAID AND THE CHILDREN'S HEALTH INSURANCE PROGRAM (CHIP)
OFFER FREE OR LOW-COST HEALTH COVERAGE TO CHILDREN AND FAMILIES**



If you are eligible for health coverage from your employer, but are unable to afford the premiums, some States have premium assistance programs that can help pay for coverage. These States use funds from their Medicaid or CHIP programs to help people who are eligible for employer-sponsored health coverage, but need assistance in paying their health premiums.

If you or your dependents are already enrolled in Medicaid or CHIP and you live in a State listed below, you can contact your State Medicaid or CHIP office to find out if premium assistance is available.

If you or your dependents are NOT currently enrolled in Medicaid or CHIP, and you think you or any of your dependents might be eligible for either of these programs, you can contact your State Medicaid or CHIP office or dial **1-877-KIDS NOW** or **www.insurekidsnow.gov** to find out how to apply. If you qualify, you can ask the State if it has a program that might help you pay the premiums for an employer-sponsored plan.

Once it is determined that you or your dependents are eligible for premium assistance under Medicaid or CHIP, your employer's health plan is required to permit you and your dependents to enroll in the plan – as long as you and your dependents are eligible, but not already enrolled in the employer's plan. This is called a "special enrollment" opportunity, and **you must request coverage within 60 days of being determined eligible for premium assistance.**

If you live in one of the following States, you may be eligible for assistance paying your employer health plan premiums. The following list of States is current as of January 22, 2010. You should contact your State for further information on eligibility.

ALABAMA – Medicaid	CALIFORNIA – Medicaid
Website: www.medicaid.alabama.gov Phone: 1-800-362-1504	Website: www.dhcs.ca.gov/Pages/default.aspx Phone: 1-800-635-2570
ALASKA – Medicaid	COLORADO – Medicaid and CHIP
Website: www.health.hss.state.ak.us/dpa/programs/medicaid/ Phone (Outside of Anchorage): 1-888-318-8890 Phone (Anchorage): (907) 269-6529	Medicaid Website: www.colorado.gov/ Medicaid Phone: 1-800-866-3513 CHIP Website: www.CHPplus.org CHIP Phone: (303) 866-3243
ARIZONA – CHIP	
Website: www.azahcccs.gov/applicants/default.aspx Phone: (602) 417-5422	
ARKANSAS – CHIP	FLORIDA – Medicaid
Website: www.arkidsfirst.com/ Phone: 1-888-474-8275	Website: www.fdhc.state.fl.us/Medicaid/index.shtml Phone: 1-866-762-2237
GEORGIA – Medicaid	MONTANA – Medicaid
Website: www.dch.georgia.gov/ Click on Programs, then Medicaid Phone: 1-800-869-1150	Website: www.medicaidprovider.hhs.mt.gov/clientpages/clientindex.shtml Phone: 1-800-694-3084
IDAHO – Medicaid and CHIP	NEBRASKA – Medicaid
Medicaid Website: www.accesstohealthinsurance.idaho.gov Medicaid Phone: (208) 334-5747 CHIP Website: www.medicaid.idaho.gov CHIP Phone: 1-800-926-2588	Website: www.dhhs.ne.gov/med/medindex.htm Phone: 1-877-255-3092
INDIANA – Medicaid	NEVADA – Medicaid and CHIP
Website: www.in.gov/fssa/2408.htm Phone: 1-877-438-4479	Medicaid Website: www.dwss.nv.gov/ Medicaid Phone: 1-800-992-0900 CHIP Website: www.nevadacheckup.nv.org/ CHIP Phone: 1-877-543-7669
IOWA – Medicaid	
Website: www.dhs.state.ia.us/hipp/ Phone: 1-888-346-9562	
KANSAS – Medicaid	NEW HAMPSHIRE – Medicaid
Website: www.khpa.ks.gov Phone: 1-800-635-2570	Website: www.dhhs.state.nh.us/DHHS/MEDICAIDPROGRAM/default.htm Phone: 1-800-852-3345 x 5254

KENTUCKY – Medicaid	NEW JERSEY – Medicaid and CHIP
Website: www.chfs.ky.gov/dms/default.htm Phone: 1-800-635-2570	Medicaid Website: www.state.nj.us/humanservices/dmahs/clients/medicaid/ Medicaid Phone: 1-800-356-1561 CHIP Website: www.njfamilycare.org/index.html CHIP Phone: 1-800-701-0710
LOUISIANA – Medicaid	
Website: www.dhh.louisiana.gov/offices/?ID=92 Phone: 1-888-342-0555	
MAINE – Medicaid	NEW MEXICO – Medicaid and CHIP
Website: www.maine.gov/dhhs/oms/ Phone: 1-800-321-5557	Medicaid Website: www.hsd.state.nm.us/mad/index.html Medicaid Phone: 1-888-997-2583 CHIP Website: www.hsd.state.nm.us/mad/index.html Click on Insure New Mexico CHIP Phone: 1-888-997-2583
MASSACHUSETTS – Medicaid and CHIP	
Medicaid & CHIP Website: www.mass.gov/MassHealth Medicaid & CHIP Phone: 1-800-462-1120	
MINNESOTA – Medicaid	NEW YORK – Medicaid
Website: www.dhs.state.mn.us/ Click on Health Care, then Medical Assistance Phone: 1-800-657-3739	Website: www.nyhealth.gov/health_care/medicaid/ Phone: 1-800-541-2831
MISSOURI – Medicaid	NORTH CAROLINA – Medicaid
Website: www.dss.mo.gov/mhd/index.htm Phone: (573) 751-6944	Website: www.nc.gov Phone: (919) 855-4100
NORTH DAKOTA – Medicaid	UTAH – Medicaid
Website: www.nd.gov/dhs/services/medicalserv/medicaid/ Phone: 1-800-755-2604	Website: health.utah.gov/medicaid/ Phone: 1-866-435-7414
OKLAHOMA – Medicaid	VERMONT – Medicaid
Website: www.insureoklahoma.org Phone: 1-888-365-3742	Website: ovha.vermont.gov/ Phone: 1-800-250-8427
OREGON – Medicaid and CHIP	VIRGINIA – Medicaid and CHIP
Medicaid Website: www.oregon.gov/DHS/healthplan/index.shtml Medicaid Phone: 1-800-359-9517 CHIP Website: www.oregon.gov/DHS/healthplan/app_benefits/ohp4u.shtml CHIP Phone: 1-800-359-9517	Medicaid Website: www.famis.org/ Medicaid Phone: 1-800-432-5924 CHIP Website: www.famis.org/ CHIP Phone: 1-866-873-2647
PENNSYLVANIA – Medicaid	WASHINGTON – Medicaid
Website: www.dpw.state.pa.us/partnersproviders/medicalassistance/doingbusiness/003670053.htm Phone: 1-800-644-7730	Website: www.ihrsa/sites/DCS/COB/default.aspx Phone: 1-800-562-6136
RHODE ISLAND – Medicaid	WEST VIRGINIA – Medicaid
Website: www.dhs.ri.gov Phone: (401) 462-5300	Website: www.wvrecovery.com/hipp.htm Phone: (304) 342-1604
SOUTH CAROLINA – Medicaid	WISCONSIN – Medicaid
Website: www.scdhhs.gov Phone: 1-888-549-0820	Website: www.dhs.wisconsin.gov/medicaid/publications/p-10095.htm Phone: 1-800-362-3002
TEXAS – Medicaid	WYOMING – Medicaid
Website: www.gethipptexas.com/ Phone: 1-800-440-0493	Website: www.health.wyo.gov/healthcarefin/index.html Phone: (307) 777-7531

To see if any more States have added a premium assistance program since January 22, 2010, or for more information on special enrollment rights, you can contact either:

U.S. Department of Labor
Employee Benefits Security Administration
www.dol.gov/ebsa
1-866-444-EBSA (3272)

U.S. Department of Health and Human Services
Centers for Medicare & Medicaid Services
www.cms.hhs.gov
1-877-267-2323, Ext. 61565

OMB Control Number 1210-0137 (expires 07/31/2010)



PO Box 91110
 Sioux Falls, SD 57109-1110
 (605) 328-6868
 1-877-305-5463
 Sanfordhealthplan.com

MEDICARE SECONDARY PAYER INFORMATION REQUEST FORM

In order to verify participation of your group, please complete the following questionnaire. The form can be returned by email, fax or U.S. Postal mail to:

Sanford Health Plan
 Attn: Lorie Helgeson
 PO Box 91110
 Sioux Falls SD 57109-1110
 Fax: (605) 328-6811
helgesol@sanfordhealth.org

	3/31/09	6/30/09	9/30/09	12/31/09	3/31/10
How many total employees did you have at the end of each quarter indicated (<i>Full-time, part-time, leased, seasonal, etc.</i>)?					
How many of your total employees were eligible for health insurance at the end of each quarter indicated?					
How many of your employees eligible for health insurance were covered by Sanford Health Plan at the end of each quarter indicated?					
How many of your employees eligible for health insurance were covered elsewhere at the end of each quarter indicated?					

Name of Group: _____ Date: _____

By: _____ Title: _____
Employer (Authorized Signature)