

## **FLEX DEBIT CARD CHANGES EFFECTIVE JULY 2009**

If your employees flex their medical care expenses, they should be aware of these changes. Starting July 1, health flexible spending account (FSA) debit cards may not be used at pharmacies or drug stores unless one of two conditions exist:

1. The location has an Inventory Information Approval System (IIAS) in place, or
2. The store or pharmacy certifies that on a location-by-location basis, 90 percent of the pharmacy's gross receipts consist of items that qualify as expenses for medical care under IRS Section 213(d), including nonprescription medications.

IIAS is an automated system that approves eligible medical expenses at the point of purchase by matching the item's stock-keeping unit (SKU) to a list of eligible expenses. Overall, IIAS has been successful by helping reduce the substantiation that participants need to submit for purchases under the IRS guidelines.

Since 2007, a special transition period has been in effect allowing use of FSA debit cards at pharmacies and drugstores as health-related merchants. That transition period began when the IRS issued new regulations in 2007 limiting the use of health FSA debit cards. The transition period ended June 30.

Starting July 1, your drugstore or pharmacy must have an IIAS or meet the 90 percent requirement. Documentation will be required if the purchase is not auto-substantiated at the point of sale.

### **How the FSA debit card will work at an IIAS merchant**

1. You will swipe your FSA debit card for your entire purchase.
2. Eligible items will be auto-substantiated.
3. The merchant will ask for a second form of payment for ineligible items.

If you have additional questions, please feel free to call our office.

## **PRACTICE GOOD HYGIENE TO PREVENT H1N1**

The World Health Organization (WHO) officially declared swine flu a pandemic in June. Even so, WHO said there is no indication the H1N1 virus, also known



as swine flu, has turned more lethal as it spreads. H1N1 is the first global flu pandemic since 1968.

Remember to practice good hygiene, such as washing your hands with soap and covering your mouth when you sneeze

or cough, as the primary prevention methods.

Symptoms of H1N1 flu in people are expected to be similar to the symptoms of regular human seasonal influenza. The symptoms include fever, lethargy, lack of appetite and coughing. Some people with swine flu also have reported runny nose, sore throat, nausea, vomiting and diarrhea.

## **MORE EMPLOYERS OFFER WELLNESS BENEFITS**

More companies are offering wellness benefits as part of employer-sponsored health coverage. According to the Kaiser Family Foundation and the Health Research & Educational Trust annual survey, 53 percent of small businesses with three to 199 employees and 88 percent of large business with at least 200 employees offer health benefits that include at least one of the following features:

- Weight loss program
- Gym membership discounts or on-site exercise facilities
- Smoking cessation programs
- Personal health coaching
- Classes in nutrition or healthy living
- Online resources
- Wellness newsletter

Some firms offer incentives such as gift cards, travel, merchandise or cash, while others offer reduced premiums or lower deductibles. Ten percent of employers offering health benefits provide an optional health risk assessment (HRA) to help employees learn about potential health risk. Of those, 12 percent of the employers offer financial incentives to encourage employees to complete the HRA. The survey noted that large businesses are more likely to offer financial incentives than smaller companies.

## **DO YOUR EMPLOYEES KNOW THE TRUE VALUE OF HEALTH BENEFITS?**

Employers will pay an average of \$9,552 per employee for health benefits in 2009, according to a report from Towers Perrin. That's up 6 percent from 2008. The report said some employers buck the trend because they proactively manage their benefits programs.

Most employees are shielded from the true cost of health benefits programs because they pay only a part of the monthly premium.

## **AMERICANS WITH CHRONIC ILLNESS STRUGGLE FINANCIALLY**

The number of working-age Americans with chronic conditions has increased steadily from 2001 to 2007, according to researchers from the Center for Studying Health System Change.

Almost 72 million Americans ages 18-64 have diabetes, asthma or depression. In 2007, more than 20 million Americans with chronic conditions were part of families who had problems paying medical bills. Some people in the group were uninsured while others had private insurance.

In 2007, one in four people with chronic health problems in families struggling with medical bills did not seek needed medical care, and half of them delayed receiving care, and more than half skipped prescription meds due to cost.

Thirty-nine percent of working-age Americans in 2007 had at least one chronic health condition, such as diabetes, asthma or depression. This is an increase from 35 percent in 2003 and 34 percent in 2001. Researchers pointed to rising obesity rates, which play a role in diabetes, hypertension and heart disease.

The number of working-age Americans who were obese—with a body mass index of 30 or higher—rose from 25 percent in 2003 to 29 percent in 2007. In addition, 55 percent of obese working-age people had at least one chronic condition compared with 30 percent of the normal-weight working-age people.

While Americans from all income levels dealing with chronic health conditions saw an increase of medical bill problems between 2003 and 2007, adults with chronic health conditions were hardest hit. They were twice as likely as their healthy counterparts to be in families struggling with medical bills.

### **2007 Insurance status of adults ages 18-64 with chronic conditions**

- Privately insured, 65 percent
- Medicare and/or Medicaid, 20 percent
- Uninsured, 13 percent
- Other, 2 percent

The number of uninsured working-age adults with chronic conditions in families with problems paying medical bills increased to 62 percent, or 5.7 million people, in 2007 from 45 percent in 2003. One in five people with private insurance and a chronic condition were in families struggling to pay medical bills.

The research does not take into account the current economic difficulties because it was based on a 2007 survey.

## **FIGHT AGING THROUGH HEALTHY LIFESTYLE**

It's not easy to grow older. Here are tips that make sense at any age and will help you as you age.

- **Be physically active.** You don't have to run a marathon, but be sure to move each day. Experts recommend 30 minutes of physical activity, such as a brisk walk, at least five days a week.
- **Prevent and manage chronic disease.** Controlling chronic diseases such as diabetes, high blood pressure and heart disease will make a difference in your health, and perhaps keep you out of a nursing home.
- **Eat smart.** As you age, you need fewer calories so make your food choices wisely. Go for food high in vitamins, minerals, fiber and omega-3 fatty acids. Limit high-fat foods. Be sure to drink plenty of water, at least three to four glasses a day. Proper hydration is important for your skin, muscles, circulation and all of your organs.
- **Get your sleep.** It's often harder to get a good night's sleep as we age. Watch out for sleep robbers such as stress, alcohol, caffeine, cardiovascular problems, high blood pressure, obesity, diabetes or drug combinations.
- **Limit the liquor.** Alcohol can affect your body like stress. Some experts say it accelerates normal aging and causes premature aging. Have no more than one drink per day if you're a woman and two drinks per day if you're a man.
- **Tackle tobacco.** If you use tobacco, you should quit. Consult your physician to see which products and approaches will work best for you.
- **Practice optimism.** It's hard to be optimistic with the uncertain economy and news of swine flu, but optimism can prolong your life.
- **Do brain games.** Your brain needs exercise too. Try solving puzzles, learning a foreign language, playing board games or attending cultural events.
- **Chill out.** The way you handle stress affects your DNA. If you don't cope well, it can break down the barrier that protects your cells from free radicals. And that can add 10 years to your chronological age. Find ways to cope with stress.
- **Spend time with people.** Isolation is not good for you. Having friends is important at any age, but especially in your later years.