NORIDIAN® Benefit Plan Administrators

UpFront

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2010 PREMIUM RATES UP 7%

U.S. employers will see a 7 percent increase in medical benefits expenditures in 2010, according to a Towers Perrin survey. The survey cited the prolonged recession as one of the factors.

The 7 percent increase will result in "record-high costs" for both employers and employees, despite six consecutive years of single-digit percentage increases, according to the Towers Perrin's annual Health Care Cost Survey.

Health care expenditures will pass the $10,000 per-employee mark for the first time, with employers paying 78 percent of the cost. Even so, employee contributions to health care premiums will rise by 10 percent, or to more than $200. According to the survey employees will also face cost shifting such as higher copays and other changes to health plans.

Employees are expected to feel the increase more keenly, according to Towers Perrin, because wages at some companies are flat or declining, 401(k) balances and employer matches are down, and bonuses and profiting sharing are scaled back.

The survey was based on health benefit programs provided by approximately 300 of the nation's largest employers. These companies provide coverage to 5.2 million U.S. employees and dependents, spending $29.4 billion on health care each year.

As companies look for ways to help employees hold costs down, wellness programs are growing in popularity.

Towers Perrin categorized the companies surveyed into three groups based on the companies' ability to control employer and employee costs, enhance efficient purchasing of health care services, enhance employee satisfaction, increase understanding and involvement in health benefits programs, support employees' good health, and address health risk or current health problems. The companies most effective in these efforts paid $1,800 less in health care costs per employee.

According to the survey, employers are looking to new directions to evolve health care delivery.

- Employee incentives
- Behavioral economics
- Personalized health management and care delivery
- Using social networking to impact employee health and well-being
- Leveraging technology innovations to improve health and engage consumers
- Evolving measurement disciplines
- Provider incentives

COBRA SUBSIDY EXTENDED TO HELP LAID-OFF WORKERS

President Obama signed legislation in December to extend the subsidy some laid-off workers receive to offset the cost of continuing their employer health insurance through the Consolidated Omnibus Budget Reconciliation Act (COBRA). The original deadline for signing up for the subsidy was December 31, but under the Defense Department Appropriations bill, people who lose their jobs as late as February 28, 2010, can qualify for the subsidy. The new legislation also expands the amount of time people can receive the subsidy from nine months to 15 months.

The existing American Reinvestment and Recovery Act has helped some workers laid off between September 1, 2008, and December 31, 2009, by paying 65 percent of the COBRA premium, which on average is $1,137 a month for family coverage, according to the Kaiser Family Foundation. With the subsidy, laid-off workers pay $398 a month on average to continue their employer health coverage for a family.

The original subsidy was designed to last nine months, so some workers were no longer eligible for assistance November 30. However, the new legislation is retroactive for those who already used the nine-month subsidy.

People who had dropped their coverage once they exhausted their subsidy must be notified of the changes Congress made to the COBRA subsidy and their opportunity to make retroactive payments of the subsidized premiums, Kaiser Health News reported.

People who paid the full COBRA premium in order to keep their coverage after exhausting the nine-month subsidy can either receive a refund of the excess money they paid or have that amount applied to future premium payments.

For more information, please refer to the U.S. Department of Labor web site at http://www.dol.gov/ebsa/newsroom/fscobrapremiumreduction.html, or call our COBRA administration department.

NEW LEGISLATION AFFECTS FMLA'S MILITARY LEAVE

On October 28, 2009, President Obama signed the National Defense Authorization Act (NDAA) of 2010 into law. The NDAA makes two important changes to the Family and Medical Leave Act (FMLA) in response to the country's current military involvements.

- **Expansion of qualifying exigency (urgent, specific situation) leave.** The new legislation make "qualifying exigency" leave available to the families of *all members of the Armed Forces who are deployed overseas*—not just the National Guard, Reserves or retired members of the regular Armed Forces or the Reserve who were called to active duty in support of a contingency operation. An employee is entitled to FMLA leave for any qualifying exigency arising out of the fact that a spouse, son, daughter or parent of the employee is on active duty, or has been notified of an impending call or order to active duty, in the Armed Forces.
- **Expansion of covered servicemember leave.** The NDAA also expands the FMLA's "covered servicemember" leave. Covered servicemember leave allows an eligible employee who is the spouse, son, daughter, parent or next of kin of a covered servicemember who suffers a serious injury or illness in the line of duty to take up to 26 work weeks of leave to care for the servicemember during a single 12-month period. Previously, the FMLA defined "covered servicemember" as members of the Armed Forces, the National Guard or the Reserves who are either current members or who are on the temporary retired list. Former members or members who are on the permanent disability list were not included.
    - The NDAA expands "covered servicemember" to include "a veteran who is undergoing medical treatment, recuperation or therapy, for a serious injury or illness and who was a member of the Armed Forces (including a member of the National Guard or Reserves) at any time during the period of five years preceding the date on which the veteran undergoes that medical treatment, recuperation or therapy."

Because the NDAA's changes do not include an effective date, employers should comply with the changes right away, until more information is available.

AVOID COLD-WEATHER DANGERS

During the winter months, keeping warm is more than just a matter of comfort. When you're outdoors, it can be a matter of life or death. Watch out for these hazards of freezing weather.

- **Frostbite.** Freezing of body tissues can cause permanent loss of feeling and movement in affected areas and may require amputation of the affected limb area. A less serious condition, frostnip, can usually be reversed by rubbing the affected areas to warm them, but don't do that for frostbite victims. Their limbs need to be heated quickly with blankets and warm (not hot) water, preferably in a hospital. Frostbite usually affects the nose, ears, cheeks, chin, fingers or toes. Symptoms include white or grayish-yellow skin, numbness and a firm, waxy feeling when touching the affected skin.
- **Hypothermia.** Loss of body heat due to prolonged exposure to the cold can impair movement and rational thinking. Someone with severe hypothermia may appear unconscious or even dead, but CPR can keep the victim alive until medical aid arrives. If you must move the victim, handle the person gently. If medical attention isn't immediately available, warm the center of the body first (chest, neck and groin) with an electric blanket if available. Symptoms of hypothermia include extreme shivering and exhaustion, confusion, slurred speech, memory loss and extreme drowsiness.

Always take these common-sense precautions when going outdoors in cold weather.

- **Dress in layers**. Clothing should be warm, loose and dry, made of cotton or wool. Your top layer should be waterproof.
- **Cover your critical areas**. You can lose up to 40 percent of your body heat if you don't adequately cover your head, face, hands and feet.
- **Stay dry**. If you get wet, dry off or change clothes immediately.
- **Keep moving**. You'll keep warmer if you walk or stay active.

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