

CHIP ENROLLMENT RIGHTS EFFECTIVE APRIL 1

The Children's Health Insurance Program Reauthorization Act of 2009 (CHIP) creates new special enrollment rights, requires employers to provide a new notice to employees and requires employers to disclose certain health plan information to states.

Effective April 1, CHIP creates new special enrollment events for group health plans. These events include:

- Loss of coverage due to loss of eligibility for Medicaid or CHIP
- Eligibility for premium assistance under Medicaid or CHIP
- A special enrollment deadline of 60 days after the loss of Medicaid or CHIP coverage

The act also requires each employer that maintains a group health plan in a state that provides medical assistance under Medicaid or CHIP to provide each employee written notice of state Medicaid and CHIP premium assistance programs. It is not clear what it means to "maintain" a group health plan in a state. However, we know that the notices to employees must inform them of premium assistance available in the state in which they reside.

The U.S. Secretary of Health and Human Services and the U.S. Secretary of the Department of Labor will issue model state-specific and national notices by February 4, 2010. Employers must distribute the notices beginning the first plan year after the model notices are issued, for example, beginning January 1, 2011, for calendar year plans if the model notices are issued in 2010. The notices may be distributed concurrently with the plan's summary plan description, open enrollment information or with any separate plan eligibility rules.

Noridian Benefit Plan Administrators will send an amendment reflecting this change to your Summary Plan Description.

WORKERS MAY QUALIFY FOR COBRA SUBSIDY

The American Recovery and Reinvestment Act of 2009, also known as the federal economic stimulus

package, provides a COBRA premium subsidy for workers who experienced an involuntary loss of employment between September 1, 2008, and December 31, 2009, for reasons other than gross misconduct.

COBRA (Consolidated Omnibus Budget Reconciliation Act) provides employees an opportunity to continue employer-sponsored health-care coverage for a limited period of time.

The subsidy is available for any health coverage, including medical, dental, vision, Employee Assistance Program and health reimbursement arrangements. Health FSA coverage offered through a cafeteria plan and life coverage are not eligible for the subsidy.

Please refer to the U.S. Department of Labor web site for additional information, www.dol.gov/ebsa/COBRA.html.

Noridian Benefit Plan Administrators offers full-service COBRA administration, which will give you peace of mind knowing you are always in compliance. "Call our office for details," said NBPA Group Benefits Consultant Jim Stepka.

GRADUATES MAY BE ELIGIBLE FOR COBRA

Graduation season is near, and soon some dependents may no longer be eligible for coverage on your plan. Because loss of dependent status is a qualifying COBRA event, graduates may be eligible for COBRA continuation. If applicable, please be sure to initiate your normal COBRA procedures for these dependents.

UNIVERSAL HEALTH CARE COULD BE COSTLY WITH LONG WAITS

If you're still deciding your opinion on universal health care in the U.S., you might want to consider some points Steve Rasnick made in an article reprinted in *The Self Insurer*. Rasnick is the director of the Self-Insurance Institute of America.

He questions if Americans should trust health care to the U.S. government, the same people who initiated the \$700 billion financial bailout known as TARP for Troubled Assets Relief Program (without

strings) and who run Medicare and Medicaid, both on the verge of bankruptcy, and operate the post office. While he decried having anyone uninsured in the U.S., he noted a universal care system similar to Canada's is not without problems.

Here are some of Rasnick's points.

- The Canadian system, like most other national health programs, is not free. Participants pay a monthly fee of \$96.
- The Canadian system does pay for prescription drugs.
- The Canadian system, like our Medicaid and Medicare programs, has exclusions and services that are deemed medically unnecessary and aren't covered.
- About 33 percent of Canadian participants purchase supplemental plans for the national program and for coverage outside of Canada.
- Canadians must request care and then wait to receive it.
 - General surgery, 121 days
 - Cancer surgery, 81 days
 - Angiography, 56 days
 - Bypass surgery, 49 days
 - Cataract surgery, 311 days
 - Hip replacement, 351 days
 - Knee replacement, 440 days

According to Rasnick, the delays are a combination of "gross over-utilization of free services, rationing to control costs and the fact that there is a lack of available equipment and trained physicians in Canada, because many Canadian physicians have migrated to the U.S. to practice."

HELP EMPLOYEES PROTECT THEIR MOST VALUABLE ASSET

When it comes to valuable assets, many people think of their home, their car or maybe a family heirloom, and they take out insurance to protect these assets. Surprisingly, most American employees fail to realize their most valuable asset is their ability to work and earn an income. May is Disability Insurance Awareness Month.

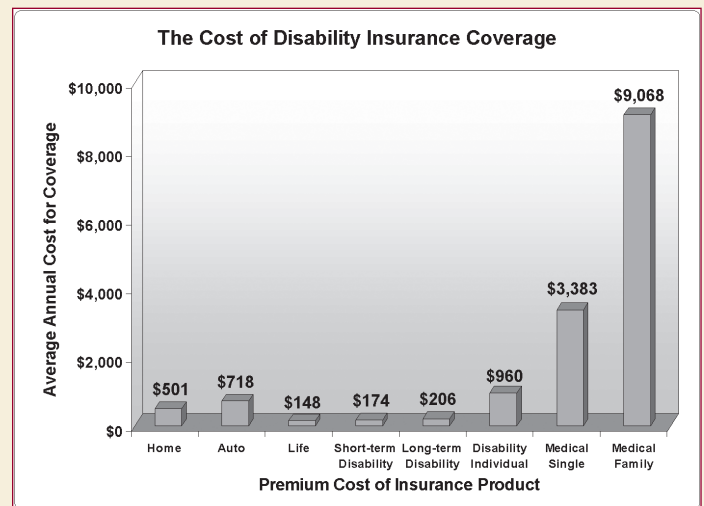
While many people think disabilities are caused by freak accidents, most long-term absences are due to back injuries and illnesses, such as cancer and heart disease, according to the Council for Disability Awareness.

The Council for Disability Awareness web site reported these statistics.

- Approximately one in seven workers can expect to be disabled for five years or more before retirement.

- Disability causes nearly 50 percent of all mortgage foreclosures. 2 percent are caused by death.
- 70 percent of the private sector workforce has no long-term disability insurance.
- More than 6.8 million workers are receiving Social Security Disability benefits. Almost half are younger than age 50.

Disability insurance provides a source of replacement income if an employee is unable to work due to an illness or accident. Group disability insurance helps the employer as well. Employers are not placed in the difficult position of deciding whether to continue paying a disabled employee's salary.



If you and your employees are not currently protected, contact NBPA Group Benefits Consultant Jim Stepka for solutions.

EMPLOYEES WANT DENTAL CARE

Consumers regard dental benefits as a very important part of the basic benefits package, along with medical coverage, retirement benefits and prescription drug coverage, according to a study by the Long Group for the not-for-profit Delta Dental Plans Association.

More people who receive regular dental care say there is a "strong connection" between their oral health and overall health compared to those who are at-risk, the study found. The at-risk population is made up of one in nine consumers who are without dental benefits. Six million people needed but deferred dental care within the past 12 months.

"We can help you establish a cost-effective self-funded dental plan," said NBPA Group Benefits Consultant Jim Stepka.