



**BENEFACTION**  
INSURANCE AGENCY, INC.

benefits + satisfaction

50-A MITCHELL BLVD.  
SAN RAFAEL, CA 94903

SAMANTHA EHLEN, PRESIDENT  
415.329.4299

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Medical ▪ Dental ▪ Vision  
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For groups and individuals



## Benefaction Wants You and Your Family to Have a Safe and Fun Halloween!

Here are some simple recommendations to ensure a good time is had by all:

- Clear porch and check exterior lighting.
- Make sure costumes are safe – no dragging hems to trip, ability to see clearly, fire retardant materials.
- Make sure you can be seen – use flashlights and reflective clothing.
- Tell children to wait to eat treats until they've reached home and candy has been inspected for tampering.
- Use crosswalks.
- Place lit Jack O'Lanterns far enough away from front door area so children's flowing costumes can't catch fire.

This is also a good time to buy new batteries for flashlights and smoke detectors – so your family is safe all year 'round!

CHECK OUT  
OUR NEW BLOG AT  
BENEFACTION-INS.COM  
FOR UP-TO-THE-MINUTE  
INFO!

## Check Our Blog – access from our webpage at [www.benefaction-ins.com](http://www.benefaction-ins.com)

*For employers that have 50 or more total active employees (this includes part-time and full-time employees), you are subject to the Mental Health Parity Act in 2010. You must ensure your medical plans are compliant with the Act. If you have more than 50 employees, please give us a call and visit our blog for more information.*

# BENE *facts*

QUARTER 3  
2009

A QUARTERLY NEWSLETTER FROM BENEFACTION INSURANCE

### INSIDE:

**2** If all your terminated employees enroll in COBRA, how does that affect your bottom line? What can you do?

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**3** In an HR pinch? Benefaction can help!

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## Innovative Ideas for Promoting Preventive Health.

Flu season is here, and this year we have the typical flu as well as H1N1 to worry about. Government statistics anticipate more than 97 million cases of the flu will be reported this year, resulting in as many as 70 million missed workdays.

The flu is just one example of how promoting a workplace culture that embraces and encourages preventive care can save your company, result in a healthier and happier workforce and lower your company claim costs – and in turn, your healthcare premiums over time.



Our country is in the midst of healthcare reform discussions. The discussions center on lowering the cost of healthcare, and preventive care plays an important role. Each business can promote its own healthcare reform with some simple changes. This quarter we thought we'd share some simple, innovative ideas our clients are using to promote preventive health and reward healthy choices.

**1. Make flu shots available and easy –** Employers can schedule on-site flu shot clinics for employees and their families. Many local, mobile services are available, and one we recommend is Occuvax ([www.occuvax.com](http://www.occuvax.com)). For \$25 per dose, with a minimum of 40 doses, Occuvax will come to your worksite and administer flu shots. Your company may decide to pay the \$25 vaccination in full or subsidize the cost. When you consider that flu shots save money in terms of absenteeism and result in a healthier workforce, you may determine the costs of the vaccinations have a very positive return on investment.

**2. Reward employees for completing an annual physical exam –** Annual exams with primary care doctors are the key to catching health problems and issues before they become severe. For example, annual lab tests may show a diabetes tendency that may be addressed with dietary changes and counseling rather than

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# COBRA Subsidy – What’s Your Strategy?

By now, all of you are familiar with the COBRA subsidy that was passed this last year to help employees who are involuntarily terminated afford continued health insurance. Assistance-eligible employees may have 65% of their total COBRA premium (employee and eligible dependents) paid for up to 9 months. If your company is a Cal-COBRA employer (less than 20 employees), this subsidy is financed by the insurance carrier. If your company is a Federal COBRA employer (more than 20 employees), this subsidy is financed by your company and then claimed on your employee payroll tax each quarter.

However, the costs of the COBRA premium do not end with the subsidized premium costs. COBRA participants typically use their healthcare coverage much more than other participants, and this use increases by COBRA members who know they only have 9 months of subsidized premiums! This increase in claim costs and usage results in increased premium costs for all. In addition, once your company has a COBRA enrollment higher than 4% of the total enrolled population, your Risk Adjustment Factor (RAF) may be increased on your company renewal, which results in increased premiums for all enrolled members.

So what can you do to encourage terminated employees to not enroll in

COBRA coverage and stabilize your RAF and premiums? Provide information.

Often, terminated employees need assistance in determining their healthcare options. They enroll for COBRA coverage because it requires the least amount of work – even if it isn’t the best solution.

Here’s how Benefaction can help. We have a flyer that you can include with your COBRA package or termination package that refers terminated employees to our agency for assistance in determining the right solution to their healthcare needs.

We work with the terminated employee to determine if they qualify for an individual policy; we provide pricing and policy information in comparison to the COBRA policy information; and we assist in applying for an individual policy. Unlike COBRA policies, individual policies do not expire and are a safer resource for terminated employees and their families. This strategy ensures that only those terminated employees who can’t qualify for individual policies enroll for COBRA. We’re happy to provide this service, even if your group is not currently a client of Benefaction. Give us a try and see how we can protect your company’s group benefit plans.

If you would like a supply of our flyers for your termination packages, please give us a call. **B**

*Continued from front cover*

daily injections, or the tests may show rising cholesterol that can be treated with dietary changes and medication. Catching these conditions early results in less invasive treatment, lower costs, healthier lifestyles and better quality of life for employees – and better productivity for employers.

Employers can also “reward” employees with paid time off for preventive care. Consider providing employees 2-4 hours of paid time off when they schedule a preventive care visit. This allows them to take time off work for the visit without losing income.

**3. Reward healthy lifestyle choices –** Encourage your employees to live a healthy, balanced life by holding contests. Have employees log their cardio time each day and set a 30 minutes/day goal. Employees that meet the goal for 3 months receive a reward (1/2 day off, lunch out, etc.). Or, your company might consider contributing each month to gym memberships.

Prevention and Wellness Programs are one way Benefaction provides our clients with value added services. Give us a call and we’ll work with you to develop a program that works for you and your employees. **B**

## EMPLOYEE CORNER

# Using your Health Savings Account as a Financial Planning Tool.

In these challenging financial times, we all need to be smarter with our money. Health Savings Accounts offer an additional tool to save money on expenses.

If you are enrolled in a Health Savings Account (HSA) compatible medical plan, you can open an HSA bank account. Contributions to your HSA account are not subject to Federal Income Tax up to the federal calendar year limit. For 2010, the limits are being increased to \$3,050 for individuals and \$6,150 for families. These limits include contributions made by both the employee and the employer.

You can use your HSA money to pay for any qualified health expense – not just ones insurance doesn’t pay. For example, dental and orthodontic expenses, vision services, some over the counter medications, first aid supplies and equipment are eligible health expenses. Any unused money carries over to the next calendar year, so you are not penalized for contributing more money than you use.

An HSA account goes beyond just health expenses.

For example, if you purchase a Long-Term Care policy, you can pay the premium as a qualified expense out of your HSA account. That means that if you have an HSA medical plan and bank account and you also have a Long-Term Care policy, you should maximize your annual HSA contribution so you can pay the annual premium from your HSA account and save on the Federal taxes. If you don’t currently have a Long-Term Care policy, but are interested in purchasing one, give Benefaction a call and we can provide plan options with costs.

Be sure to talk with your tax advisor if you are not maximizing your HSA contribution. It may be that it’s better to pay yourself and make the full HSA contribution to lower your Federal tax.

If your company has an HSA medical plan and you would like to offer your employees a brown bag lunch session on maximizing HSA money and purchasing Long-Term Care policies, just give us a call and we’ll set-up a complimentary session. **B**

## Human Resource Assistance – Did You Know?

Did you know that Benefaction can provide HR assistance for your company? If your HR Manager is out on leave, your HR Department is short-staffed, you would rather outsource – whatever the reason, we can help. We provide a full array of services, working with you to develop a plan that meets your specific needs. For ongoing services such as benefit administration issues, we can provide a set monthly administration fee. For project work or temporary coverage, we will provide a project fee. Our proposals allow for easy budgeting.

If you’d like more information on how Benefaction Insurance can supplement your current HR resources, give us a call. We’ll talk with you about your HR needs, present a full proposal with core services and optional services, as well as costs. You can then pick and choose the services that best meet your needs and your budget. **B**