

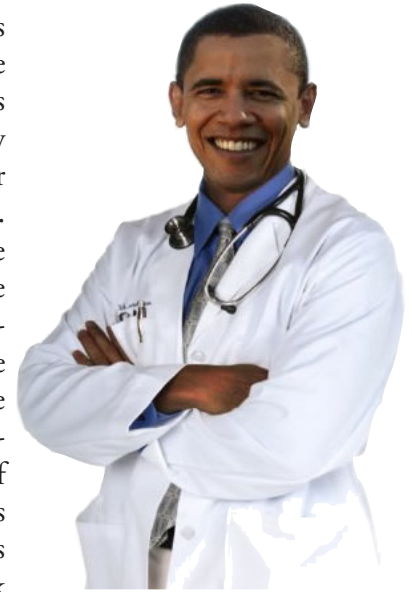
“MISSION ACCOMPLISHED”

On March 23, 2010 President Obama signed into law the Patient Protection and Affordable Care Act (H.R. 3590), 2,100 pages of ‘landmark’ health reform legislation. Just days later, the Health Care and Education Tax Credit Reconciliation Act of 2010 (H.R. 4872) also became law, and we had another several hundred pages of reform to digest. Copies of these Bills have just arrived at The Rauser Agency, but for the short term, summaries prepared especially for employers by our trade association are available on our website (Home Page, under Health Care Reform).

Understanding and implementing these laws will be an enormous challenge - one so daunting that Wisconsin Governor Jim Doyle announced April 7th the

creation of a new “Office of Health Care Reform”. This reflects the reality that the legislation in many areas looks to the states; the new insurance “Exchanges” for example, will be state run. And in Wisconsin, we have a head start on some of the most immediate federal reforms. Take for example the Bill’s requirement that the age for dependent eligibility be raised to age 26; as of last July, Wisconsin requires age 27. Another item calls for the creation of high risk pools; Wisconsin has had the ‘Health Insurance Risk Sharing Plan’ (HIRSP) for years.

In the end, health care reform will have a slightly different impact on every business based on the number of employees, and whether or not you are fully insured or (partially) self-funded. ‘It’ will affect differently those cov-



ered under a group or their own individual plan ... under age 65 or on Medicare. The enormity of the Bill and your diversity as clients/customers/friends will require face to face visits and careful planning. We’ll see you very soon.



A View From The Crow’s Nest

Well, apparently my father was wrong; money *does* grow on trees! After wrestling with “health care reform” literally for decades, the best we could do is throw another trillion dollars into an already bloated and wasteful system. Having said that, the legislation also presents the framework for many positive changes. I mean literally, just the “framework”.

For you see, despite its monstrous length, the legislation itself is only a skeleton. Regulations now need to be written and implemented that will put flesh on these bones. Take just one example specific to our new health insurance laws relating to mandatory loss ratios. Insurers will be required to pay out as claims 80 cents of every premium dollar for small groups; 85 cents for large groups. However, the legislation does not specify what expenses will count toward medical claims versus administrative expenses. How will insurer disease management programs or wellness plans be classi-

fied? The law requires the HHS Secretary to promulgate those rules. And HHS will be looking to the states for guidance. The National Association of Insurance Commissioners (NAIC) will prominently play a role in developing the new insurance rules. Many of those Commissioners have deep roots within the industry and understand well the challenges unique to the small business owner. We have a great relationship with our Wisconsin Commissioner and look forward to partnering in the administrative rule-making process.

(continued next page)

A View From The Crow's Nest *(continued from front)*


This scenario will be repeated hundreds of times as the law is fleshed out and implemented. The creation of "Exchanges" will take years. Wisconsin's "Exchange" will – we can only hope – be decidedly different than Massachusetts' and other states. And so it will go as the government takes a greater role in managing the health insurance industry.

So what can I predict for our clients and friends? Will premiums be lower post-reform? Well, what do you think? Later this year, lifetime limits on coverage will no longer be allowed. Will that have a cost? And cost sharing (co-pays or deductibles) for certain preventive care services will not be allowed. Will that have a cost? (The change in dependent eligibility to age 26 is moot since Wisconsin went to age 27 last summer – with a cost.) I have personally polled local insurer executives for their short term premium projections. Given that increases this year have already been ex-

cruciating, it is little comfort to hear them forecast trends will continue pretty much the same as before reform.

The final months of the health reform debate devolved into a relentless attack on insurance companies. The legislation has turned that industry pretty much on its head and given unprecedented control to the government. When premiums continue to rise, will the focus finally turn to the underlying drivers of high premiums; i.e. the cost of health care? That is the more challenging "reform" still on the drawing board.

As we have done throughout our many years serving small and medium sized businesses, we will continue to help our clients navigate the health care system. We see the need for reform and are committed to working with all parties to implement this new law. We're all more than a little confused and unsure of how reform will affect us. All we can do now is recommit to moving forward to help you make the legislation work for you.

Related to that, did any of you notice the tag line under The Rauser Agency, Inc wing logo has changed? It used to read "Private Sector Health Solutions For Small Business". No, we haven't given up on the private sector but it seems prudent to acknowledge the governments increasing role in the financing of health care. And when the states establish insurance "Exchanges", you will have even more choices to sort through. We've seen the word "navigator" used for those who may be allowed to "sell" through the Exchanges. (Maybe the choice of our wing logo many years ago was prescient! Remember your pilot wings as a kid?) So what do you think about the new tag line? I'd welcome your suggestions or thoughts. Some companies can afford the luxury of an exhaustive search for a new 'brand'. We'd rather just get your input. Send me an email or call. And, thanks. 



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Using top rated insurers, we facilitate the design and implementation of employee benefits. We have the influence and experience to help clients navigate the complexities of HR administration. Through wellness initiatives and focused communication, we strive to enable consumers to be savvy health care purchasers.

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LOWER YOUR MEDICARE SUPPLEMENT PREMIUMS

By Chris McArdle

When 'Jack' turned 65, he bought his Medicare Supplement coverage through The Rauser Agency, thinking it might be his last insurance purchase. Not surprisingly, each year Jack received renewal notices that included obligatory premium increases.

Here's some good news. If you have a policy that has been in force for three or more years and you are in reasonably good health, in many cases you can re-qualify for the same or better coverage, at lower rates. All you need to do is complete a short medical questionnaire. In Jack's case, his monthly premium was scheduled to go from \$177.42 to \$218.63, but we re-wrote his coverage for \$162.36 per month, with the same insurer and an enhanced preventive care benefit.

So whether it is you, your parents or a friend, please remember this tip. Usually we can determine in one short phone call if you might qualify for lower Medicare Supplement rates. Call me. I can be reached at 414-276-2700. 



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