



Broker Advantage

888-FLEX1ST - www.flexiblebenefit.com

August 2007 Newsletter

Flex Briefs

- Humana Added to *Flex* Individual General Agency Portfolio
- *Flex* Revamps Business Protocols & Support Teams
- Upcoming Seminars & Events
- Question of the Month
- Staff Enhancements
- Holiday Schedule

Individual News

- BCBSIL - New Agent Identification Numbers
- BCBSIL - Illustration Software Update
- BCBSIL - Rate Reduction Guidelines - Tobacco Cessation
- BCBSIL - New Business Applications - Do's & Don'ts
- Assurant - Product Changes & Enhancements

Group News

- BCBSIL - Form Updates
- BCBSIL - Complementary Alternative Medicine

Flex Briefs

Humana Added to *Flex* Individual General Agency Portfolio

Flex is excited to announce the addition of Humana® to our individual General Agency (GA) offerings. Beginning with August 6, 2007 effective dates, *Flex* is able to distribute and market the HumanaOne® portfolio of individual health plans to our brokers.

With the addition of Humana, *Flex* is one of the only GAs in Illinois to offer a combination of Humana, Blue Cross® and Blue Shield® of Illinois and Aetna® to brokers. *Flex* brokers are now able to access three of the leading carriers in the Illinois individual health insurance market with a single point of contact.

Humana Highlights:

- 9-million members nationwide
- "A-" Rated by AM Best®
- Nationwide Network:
 - Physicians - 474,000
 - Hospitals - 3,300
 - Pharmacies - 46,000
- 12-month rate guarantee
- 10% spouse discount
- Tele-App, online or paper application used
- Less than 0.5% of claims are appealed
- All plans have preventive care benefit
- Effective date can be any day of the

Upcoming Seminars & Events

This month *Flex* is offering several events to increase your knowledge of in-demand products and upgraded *Flex* business procedures. The events are conducted as web-based presentations, which we call webinars, or seminars that are held on-site at the *Flex* offices (10275 W. Higgins Road, Suite 500, Rosemont, IL). Here's a brief description of the upcoming events:

- August 7th, 9-10 AM, Defined Contribution Business Procedures (Webinar)
- August 9th, 9 AM-12 PM - *Flex* University: Cafeteria Plans/FSAs (Seminar) - 3 CEUs
- August 21st, 9-10 AM, Defined Contribution Business Procedures (Webinar)
- August 23rd, 9 AM-12 PM - *Flex* University: HRAs (Seminar) - 3 CEUs

To attend a seminar or webinar, you must register by phoning 888-353-9178 (x-4289) or emailing seminars@flexiblebenefit.com with your name, company, address, city, state, zip, phone, and email address.

Question of the Month

month

For more information about Humana, contact your *Flex* individual representative today at 888-353-9178.

***Flex* Revamps Business Protocols & Support Teams**

Establishing a FSA, HRA, TRA or COBRA with Flex just got easier

Flex has developed new procedures that simplify the process for establishing and maintaining business with its Defined Contribution department. The enhanced procedures will increase communications, provide faster turnaround times, ensure quality service and deliver a consistent business process.

The new procedures were determined necessary to improve the set-up, implementation and support for your new business and existing clients. *Flex* has tested these procedures and recently utilized them on several clients.

Flex has also restructured its support staff to better meet the service needs of you and your clients. The support staff is now comprised of service teams that support specific points of the business process—enabling you to focus on selling, while we set-up, implement and support your clients.

We have also improved our toll-free phone capabilities to include menu options for you and your clients. These new menu options will enable you and your clients to be more efficiently connected with the appropriate support staff.

In conjunction with the new service approach, *Flex* has developed new Health Reimbursement Account (HRA) plan design and eligible expense options to choose from. These new options provide flexible HRA plan designs and eligible expense categories, while remaining compliant with *Flex* software capabilities.

In the coming weeks, *Flex* will be conducting webinars for brokers to learn about the overall improvements and new offerings. Please check the “Upcoming Seminars & Events” article for further details.

If you have any immediate questions, please contact the Defined Contribution department at 866-472-0882.

Q:

How does an employer handle HSA contributions for an employee who does not open an HSA?

A:

In general, the comparable contribution rule requires that an employer making contributions to employee's HSAs must make comparable contributions to "comparable participating employees", who are further defined as employees who are HSA-eligible. Not every employee who is HSA-eligible, however, actually opens an HSA, and therefore employers have needed guidance on what to do with those HSA contributions in order to comply with the comparability rules. In June, 2007, the IRS published new proposed regulations that addressed this issue. The new regulations state that the employer will not be in violation of the comparability requirements if the following two conditions are met: 1) The employer must provide written notice to HSA-eligible employees by February 15th of the following calendar year that they will receive employer HSA contributions if they open an HSA, and 2) The employer actually makes the contributions, plus reasonable interest, to each HSA-eligible employee of whom it is notified, or that it knows, that the employee has actually opened an HSA. The contribution has to be made by April 15th of the following year (i.e. before tax returns for the year of the contribution are required to be filed.) The new regulations also include a model notice for informing employees about the HSA contributions.

Staff Enhancements

- **Julie Breen** has been promoted to Account Representative Supervisor. Her new position involves management of account representatives and handling high level service issues.
- **Theresa Davis** has been promoted to Account Coordinator. She has an outstanding background in working with group brokers on new and renewal business.
- **Sonya Euring** has joined the Defined Contribution Department as a DC Broker Relations Specialist.

***Flex* Holiday Schedule**

The *Flex* office will be close at 3:00 pm on Friday, August 31, and reopen on Tuesday, September 4 in observance of the Labor Day holiday.

To learn more about any of the *Flex* Briefs, please contact your *Flex* representative at

888-353-9178.

Individual News

BCBSIL - New Agent Identification Numbers

BCBSIL will be issuing a New Producer Identification Number to be used in place of a social security number or FEIN number on all individual business applications. Policy holders currently can view this information along with your name. The new system has been created to avoid identify theft and better protect your personal information. BCBSIL will cross-reference this ID with your name or agency name and strongly recommends using the new number in the future. Be on the lookout for your number to arrive in the mail.

BCBSIL - Illustration Software Update

In conjunction with the rate increase effective July 1, 2007 for new business with Consumer Markets division of BCBSIL, new Illustration Software version (4.5-5.0) is available. This software will not be mailed to producers, and is only accessible via the web at www.bcbsil.com/dmagents/software_updates.htm. To ensure accurate quotes, please visit the site and download the update today.

BCBSIL Rate Reduction Guidelines - Tobacco Cessation

The following requirements must be met to consider reduction of a member's premium rate due to cessation of tobacco products:

- Member must not have used any form of tobacco product within the last 12 months
- Current policy must be active and inforce for at least 12 months
- Underwriting will review the medical history available to them at the time to determine eligibility. If yes, a specific health questionnaire is sent to the member for their physician to complete and sign

BCBSIL New Business Applications Do's & Don'ts

To reduce overall processing time on New Business applications, follow these simple guidelines:

Do....

- Answer ALL application questions and provide complete details
- Obtain all signatures and dates from ALL applicants age 18 or older
- Check the height/weight chart to determine whether the applicant's weight is eligible for consideration
- Include a residential street address for applicants who wish to use a PO Box
- Ensure that correct social security numbers are provided
- Advise your client NOT to cancel any current health coverage until BCBSIL sends written approval
- List all forms of treatment received for a condition. Also indicating the date the treatment was last received/performed is very helpful. The exact diagnosis is always needed.

Don't...

- Submit an application with a signature date after the actual date of completion
- Submit an application that was signed a month or more ago
- Submit an application that has wording cut-off, illegible, or is of poor copy quality
- Use white-out or pencil on the application
- Alter any questions
- Alter any answers without the applicant initialing and dating the change

Assurant Health - Product Changes & Enhancements

ExpressYes – The Fastest Way to Individual Medical Insurance Assurant Health's revolutionary individual medical application, underwriting, and approval process offers on-the-spot approval to qualified applicants before they leave your office. You can now quote, apply for and place in force an individual major medical plan completely online. Applicants that do not qualify for on-the-spot approval will receive a response within 48 hours. Complete

details are available in the Online Tools User Guide at www.assuranthealthsales.com.

For more information on the Individual News, please contact your *Flex* individual sales representative at 888-353-9178.

Group News

BCBSIL Forms Update

BCBSIL – Form Updates A new version of the employee application has been approved by the Illinois Department of Financial and Professional Regulation – Division of Insurance for small group employee application. For Groups with 2-150 employees, the application, medical questionnaire, and waiver of coverage form replaced the May 2005 version. PDFs of these applications are available in the public employer portal and are being updated on the public producer portal and the secure producer portal www.bcbsil.com.

BCBSIL Complementary Alternative Medicine

Effective July 1, 2007, BlueExtras Complementary Alternative Medicine (CAM) discounts are now available through Healthways WholeHealth Networks, Inc. CAM includes therapies that may promote wellness, prevent illness, and address existing symptoms and conditions. Practitioners affiliated with the CAM program include acupuncturists, stress management (yoga, meditation, and guided imagery) experts, massage therapists, personal trainers, spa technicians, nutrition counselors, and other wellness professionals. The practitioners must submit through an application process including a peer review by practitioners who participate in the program. Acceptance into the program is based on training, licensure, and experience requirements.

Discounts of up to 30% are offered through participating practitioners and there is no annual limit to the number of times you may use the discounts. Additionally, there is no extra charge to participate in this program. It is simply a value-added program offered to BCBSIL members and covered dependents. However, it is important to note the out-of-pocket costs of CAM services will not affect premiums or count towards calendar year deductibles. For additional information, log in to CAM at www.bcbsil.com/member. Click the My Coverage tab, and then the BlueExtras Discount Program link.

To learn more about any of the Group News, please contact your *Flex* group sales or service representative at 888-353-9178.

If you received this e-mail in error or would like to be removed from our list, please e-mail us at remove@flexiblebenefit.com. Please include the words "**remove from list**" in the subject heading.