



EMPLOYEE BENEFITS NEWLETTER ~ JUNE 2009

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Employer Health Benefits 2008 Annual Survey

The annual survey of employers provides a detailed look at trends in employer-sponsored health coverage, including changes in premiums, employee contribution, cost sharing provisions and other relevant information.

COST OF HEALTH INSURANCE

The average costs of premiums for single coverage in 2008 was \$392 per month or \$4,404 per year.

Average family premiums are higher for covered workers in firms with at least some union workers than for covered workers in firms with no union employees.

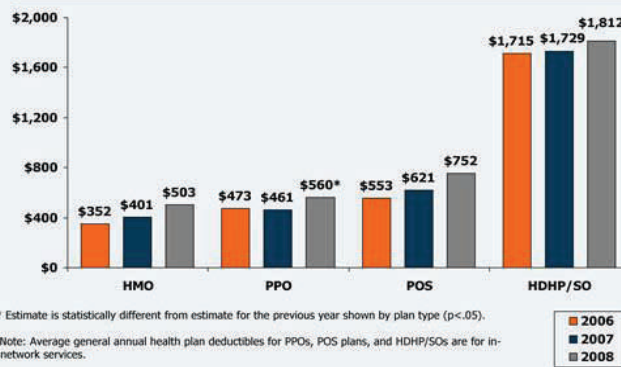
Eighteen percent of covered workers are employed in firms that have a single premium that is more than 20% higher than the average single premium of \$4,704, and another 22% of covered workers are in firms that have a single premium that is more than 20% less than the average single premium.

Average Annual Premiums for Single Coverage, by Firm Characteristics, 2008



*Estimates are statistically different from each other within category (p<.05). Note: For definitions of Self-Funded and Fully Insured Plans, see the introduction to Section 10. Source: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2008.

Among Covered Workers with a General Annual Health Plan Deductible for Single Coverage, Average Deductible, by Plan Type, 2006-2008



* Estimate is statistically different from estimate for the previous year shown by plan type (p<.05). Note: Average general annual health plan deductibles for PPOs, POS plans, and HDHP/SOs are for in-network services. Source: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2006-2008.

Table listing topics for the issue: Insurance Costs (1), FormFire (1), New IRS Limits (2), Benefits of HSA (2), Health Care Reform (2), Legal Corner (3), Wellness at Work for You (4).

Insurance Specialists Welcomes you to FormFire

Interested in reducing the amount of effort, time, and cost that small group organizations and individuals go through when applying for health coverage? Let FormFire do the work for you. FormFire is an insurance carrier accepted,, HIPAA compliant, online medical benefits ap-

plication service. It's designed to streamline the application process and allows your employees to complete one application online.

Your Insurance Specialists' Broker will be happy to introduce you to the FormFire System today.

Call us at: 1.866.215.2414

The IRS releases limits for HSAs & HDHPs for 2010

IN 2008 AN ESTIMATED 30 PERCENT OF LARGE EMPLOYERS OFFERED HSA - QUALIFIED PLANS AND THAT NUMBER IS EXPECTED TO INCREASE IN 2009

	2010	2009
HDHA Minimum Deductible Amount		
Individual	\$1,200	\$1,150
Family	\$2,400	\$2,300
HDHP Maximum Out-Of-Pocket Amount		
Individual	\$5,950	\$5,800
Family	\$11,900	\$11,600
HSA Statutory Contribution Amount		
Individual	\$3,050	\$3,000
Family	\$6,150	\$5,950
Catch-Up Contributions (age 55 & older)	\$1,000	\$1,000

Employers and Health Savings Accounts (HSAs)

Many of the benefits of choosing a Health Savings Account (HSA) over a traditional health insurance plan can directly affect the bottom line of an employer's benefit budget. For instance:

- HSAs are dependent on a high deductible insurance policy, which lowers the premiums of the employee's plan.
- All contributions to the HSA are pre-tax, lowering the gross payroll and reducing the

amount of taxes the employer must pay. Some reasons employees benefit from HSAs are:

- Employers may contribute to HSAs.
- HSAs capture the attention of employees by shifting payment responsibility.
- Employers incent employees by funding an HSA based on the employee's collaboration in the healthcare and wellness components.
- Their contributions are pre-tax.
- Interest and other earnings on HSAs are tax-free.
- Withdrawals for qualified medical expenses are tax-free.
- No year-end loss—HSA balances grow from year to year.



President Obama is committed to working with Congress to pass comprehensive health reform this year in order to control rising healthcare costs, guarantee choice of doctor, and assure high-quality, affordable healthcare for all Americans. The Administration believes that comprehensive health reform should:

Health Care Reform

- Reduce long-term growth of healthcare costs for businesses and government.
- Protect families from bankruptcy or debt because of healthcare costs
- Guarantee choice of doctors and health plans
- Invest in prevention and wellness
- Improve patient safety and quality of care
- Ensure affordable, quality health coverage for all Americans
- Maintain coverage when individuals change or lose a job
- End barriers to coverage for people with pre-existing medical conditions,
For more info go to: www.healthcareform.gov.

7th Circuit: Cannot Retroactively Terminate Benefits Following FMLA Leave

The 7th U.S. Circuit Court of Appeals recently affirmed an \$85,453 judgment against an employer that violated the FMLA by retroactively terminating the health benefits of an employee who took leave.

Kathleen Ryl-Kuchar worked as a dietary consultant for Care Centers. When she discovered that she was pregnant with triplets, she informed HR of the news. HR in turn told her that she was entitled to up to 12 weeks of FMLA leave. Ryl-Kuchar maintained her normal schedule until she was “too big to fit” behind the steering wheel of her car. At that time, she began to work from home with the blessing of the Chief Operating Officer. Even though she was not on leave at that time, she was still working and continued to perform all of her usual duties. However, the number of hours she put in dipped below 35 hours per week.

After she gave birth the three boys, she returned to work immediately. One month later, she realized that caring for three infants was too much and she commenced her FMLA leave at that time, with the intent to resume work in the fall. At the end of the 12 weeks, she decided she needed much more time with the children and would have to sacrifice her job, so she resigned.

The company then retroactively canceled her insurance benefits with the effective date being a month before she gave birth, which was naturally a time when the medical bills were piling up. The company argued that she became a part-time employee when she was working from home, thereby losing eligibility for health insurance.

Ryl-Kuchar sued, alleging both interference and retaliation claims. At trial, she demonstrated that the real reason for cancellation of her benefits was her decision to take FMLA leave. This was evidenced by inconsistencies in Care Centers’ explanations for its actions, the timing of the decision to terminate Ryl-Kuchar’s benefits and the company’s expressed concern about health care costs in an employee newsletter.

The jury found that Ryl-Kuchar had carried her burden, and it awarded her just over \$30,000 in damages (the total amount of her unpaid medical bills). After denying Care Centers’ motion for judgment notwithstanding the verdict, the district court awarded prejudgment interest and liquidated damages, bringing the total up to more than \$85,000.

Care Centers appealed, but the 7th Circuit affirmed. On the retaliation claim, the court concluded that the inconsistencies, the timing of the decision and Care Centers’ concerns about rising health care costs provided reasonable grounds for the jury to infer retaliation. As for the interference claim, the court held that a reasonable jury could have found that Care Centers interfered with Ryl-Kuchar’s right to continued health insurance coverage.



...THE DISTRICT COURT AWARDED PREJUDGMENT INTEREST AND LIQUIDATED DAMAGES, BRINGING THE TOTAL UP TO MORE THAN \$85,000.

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Wellness At Work For You

Heart Disease Risk Quiz

1. What's your blood pressure?

- A) Below 120/80 (0)
- B) Between 120/80 and 140/90 (+1)
- C) Above 140/90 (+3)
- D) Don't know (+1)

2. What's your cholesterol?

- A) HDL (good) above 50
LDL (bad) below 130
Triglycerides above 150 (0)
- B) Any of the following :
HDL below 50, LDL above 130,
triglycerides about 150 (+2)
- C) Don't know (+1)

3. How often do you eat fried foods?

- A) Once a month (+1)
- B) Several times a month (+2)
- C) Never (0)

4. Does anyone in your family have heart disease?

- A) Yes, my mother had problems before age 65, or my father before age 55 (+2)
- B) No (0)
- C) Don't know (+1)

On a typical weekend night, you:

- A) have one glass of wine or beer (+1)
- B) Have more than one glass of alcohol (+2)
- C) Skip the alcohol (0)

6. How many cigarettes have you smoked this week?

- A) None (0)
- B) Just a few (+3)
- C) Half a pack or more each day (+8)

7. How many colors were in your last meal?

- A) 1, for example, chicken & rice (+2)
- B) 2 to 4—some vegetables (+1)
- C) 4 or more—for example, a salad and some vegetables (0)

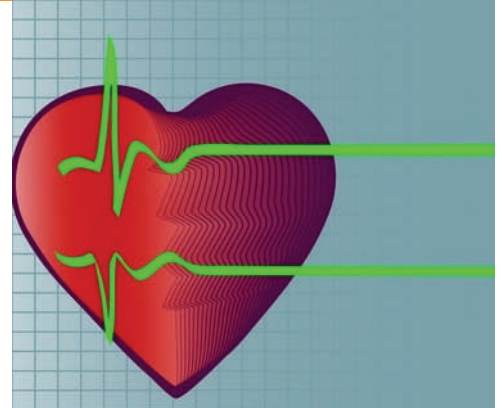
8. How do you feel after climbing three flights of stairs?

- A) Fine or even energized (0)
- B) Winded (+1)
- C) Who knows? I never climb stairs (+2)

9. What's your body mass index (BMI)?

- A) 18.5 TO 24.9 (0)
- B) B) 25 TO 29.9 (+1)
- C) C) 30 OR ABOVE (+2)

To find out your BMI, visit
www.consumer.gov/weightloss/bmi.htm



Your Results:

0—2: You are on the right track to preventing heart disease. Exercise, eating right, and avoiding cigarettes can help prevent 80% of hearts disease.

3-7: One or two harmful habits can increase your chances of developing heart disease. Simply knowing your risk factors is also important to reducing your risk, especially if you need to reduce your cholesterol or blood pressure.

8 or higher: Get to the doctor! Make the commitment to one healthy behavior change, such as quitting smoking or exercising.

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