

# The Insurance Insider

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## What Changes are Coming for Health Care in 2011?

Employers will be making some changes to their health-insurance plans for 2011 because of health-care reform and most are desperately trying to control rising health-care costs. A recent survey of large companies by the National Business Group on Health found that employers estimate their health-care-benefit costs will increase by an average of 8.9% in 2011, compared with an average increase of 7% this year. These employers are continuing to raise deductibles and co-payments, but they're also beefing up programs that encourage employees to lower their medical expenses.

**Higher premiums and co-pays.** Sixty-three percent of the employers surveyed plan to increase the percentage that employees contribute to the premium (on average, employees contribute 17% of the premium for single coverage and 27% for family coverage). And 46% plan to raise out-of-pocket maximums. About 40% of employers also intend to increase in-network or out-of-network deductibles or remove out-of-network benefits altogether.

**Wellness Programs** are becoming more popular as employers look for more ways to save money. Many employers are giving employees bonuses for participating in wellness programs rather than penalizing them if they do not. Employers are offering discounts for participation in wellness programs, and the average incentive to employees is \$380; 22% of employers offered discounts on premiums for participating in tobacco-cessation programs.

**Less Generous Prescription Coverage.** Many employers are scrutinizing employee prescription coverage. A comprehensive RX card can add 25-40% to the monthly premium for a family plan and many employers are raising co-pays or adding higher annual deductibles to their RX plans.

With the price of prescriptions skyrocketing out of control, some employers are only offering generic and brand coverage, forcing employees to request the generic version of their maintenance drugs.



We hope you and your family have a safe and great Holiday Season!

## Ask Yourself These Three Questions...

- 1- Does your health broker keep in contact with you, in some way, monthly?
- 2- Are you confident that you have explored every money saving technique developed in the last 12 months?
- 3- Has your broker set up and explained your health insurance benefits so that you could easily and simply explain it to someone in a 2 minute time period?

**If you answered no to one or more of these questions, you should call us today!**

**914-633-1717**



Always verify provider participation with your insurance plan *before* a medical appointment. Referrals *do not* guarantee that the provider/facility is in your network.

# Interesting Facts *you* Should Know!

## Don't let these misconceptions catch you cold!!

It's that season again! Coughing, hacking, and sneezing surround you everywhere. How can you protect yourself? Just like with your finances and investments, the best way to protect yourself is with information. Unfortunately, a lot of the commonly held beliefs about colds turn out to be inaccurate. For instance, did you know:

**Colds are NOT spread by...**coughing and sneezing. The cold virus is usually spread by hand-to-hand, hand-to-nose, or hand-to-object contact. When someone with a cold rubs their nose or eyes with their hands and then they touch an object... presto! Instant cold transfer device! The virus can survive up to 48 hours waiting for its next victim. So be less worried about someone sneezing on you and more worried about that innocent looking handrail.

**People with colds are infectious...**before they experience symptoms. You are most contagious 24 hours before you even experience symptoms. You may feel completely healthy but the virus is busy incubating and spreading to more unknown victims through shaking a hand or grabbing a door knob. So always wash your hands **EVEN** if the person you just shook hands with looks completely healthy!

**Antibacterial soap does NOT...**kill the virus that causes colds. Your best defense is washing your hands with warm, soapy water (any old soap will do) for one full minute! It's the time spent under the warm, soapy water that removes the virus from your hands, not the soap. However, if you are not around running water, the alcohol based cleaners like Purell or Nexcare or even the alcohol towelette hand cleaners will do in a pinch.

**Being cold does not...**increase the likelihood of you getting a cold. There is absolutely no evidence, though many studies have been conducted, that being damp and cold can cause you to actually

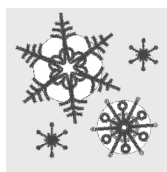
catch a cold.

**Vitamin C does not...**prevent or shorten colds. There has been no conclusive evidence whatsoever to indicate that taking vitamin C helps with colds. There has been some increasing evidence that taking Zinc at the onset of a cold will shorten it. Caution: Zinc should only be taken at the onset of symptoms, not to prevent a cold. As with anything, taking more than the recommended amount of Zinc can cause problems as well.

**You get fewer colds as you get...OLDER!** Every time you got a cold over your lifetime you built immunity toward that particular virus. There are just about 200 different cold viruses, so by the time you are retired, you have already built up resistance to many of them, giving you lifetime immunity to many of the cold viruses you have already experienced. See! Getting older is getting better!

**Hot tea is helpful...**at reducing cold symptoms. Black and green tea contain an ingredient that actually helps open passageways making breathing easier. The hot liquid and steam also help to thin out the mucus and promotes drainage. Mom's chicken soup helps only to ease congestion due to the heat and steam. It has not been shown to affect the cold virus itself...but heck, it always makes me feel better regardless of what the experts say!

### What Color is Snow?



Believe it or not, snow is actually clear/transparent. Snow appears white because the crystals act as prisms, breaking up the light of the sun into the entire spectrum of color. The human eye is unable to handle that kind of sensory overload. Therefore, we see the snow as white or sometimes blue. The color of snow can depend on the environment in which you live. Some snowflakes look like they are pink. If you live in a place where your soil is red, snow is pink. The red dust blows into the clouds, discoloring the snow.

# More Interesting Facts *you* Should Know!

## HOW LTC INSURANCE CAN HELP PROTECT YOUR ASSETS

*Create a pool of healthcare dollars that will grow in any market.*

**How will you pay for long term care?** The sad fact is that most people don't know the answer to that question. But a solution is available.

As baby boomers leave their careers behind, long term care insurance will become very important in their financial strategies. The reasons to get an LTC policy after age 50 are very compelling. Your premium payments buy you access to a large pool of money which can be used to pay for long term care costs. By paying for LTC out of that pool of money, you can preserve your retirement savings and income.

The cost of assisted living or nursing home care alone could motivate you to pay the premiums. Genworth Financial conducts a respected annual Cost of Care Survey to gauge the price of long term care in the U.S. The 2010 report found that:

- In 2010, the median annual cost of a private room in a nursing home is \$75,190 or \$206 per day – \$14,965 more than it was in 2005.
- A private one-bedroom unit in an assisted living facility has a median cost of \$3,185 a month – which is 12% higher than it was in 2009.

The median payment to a non-Medicare certified, state-licensed home health aide in 2010 is \$19 per hour, up 2.7% from 2009.

The most recent (2009) estimate of LTC costs from the U.S. Department of Health and Human Services was even higher than the Genworth survey - \$219 per day for a private room in a nursing home, or \$79,935 per year.

Can you imagine spending an extra \$30-80K out of your retirement savings in a year? What if you had to do it for more than one year?

Let's take that \$79,935 figure from the government and factor in inflation. At 5% inflation, that private room will cost you \$130,206 per year by 2019 and \$212,091 annually by 2029.

AARP notes that approximately 60% of people over age 65 will require some kind of long term care during their lifetimes.

**Why procrastinate?** The earlier you opt for LTC coverage, the cheaper the premiums. This is why many people purchase it before they retire. Those in poor health or over the age of 80 are frequently ineligible for coverage.

**What it pays for.** Some people think LTC coverage just pays for nursing home care. That's inaccurate. It can pay for a wide variety of nursing, social, and rehabilitative services at home and away from home, for people with a chronic illness or disability or people who just need assistance bathing, eating or dressing.<sup>4</sup>

**Choosing a DBA.** That stands for Daily Benefit Amount - the maximum amount that your LTC plan will pay per day for care in a nursing home facility. You can choose a Daily Benefit Amount when you pay for your LTC coverage, and you can also choose the length of time that you may receive the full DBA on a daily basis. The DBA typically ranges from a few dozen dollars to hundreds of dollars. Some of these plans offer you "inflation protection" at enrollment, meaning that every few years, you will have the chance to buy additional coverage and get compounding - so your pool of money can grow.

**The Medicare misconception.** Too many people think Medicare will pick up the cost of long term care. Medicare is not long term care insurance. Medicare will only pay for the first 100 days of nursing home care, and only if 1) you are getting skilled care and 2) you go into the nursing home right after a hospital stay of at least 3 days.

**Continued on the back page...**  
Medicare also covers limited home visits for skilled

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care, and some hospice services for the terminally ill. That's all.

Now, Medicaid can actually pay for long term care – if you are destitute. But are you willing to wait until you are broke for a way to fund long term care? **Why not look into this?** You may have heard that LTC insurance is expensive compared with some other forms of policies. But the annual premiums (about as much as you'd spend on a used car from the late 1990s) are nothing compared to real-world LTC costs.

Many Americans have life, health and disability insurance, that's not the same thing as long term care coverage.

*If you would like more information on LTC insurance or have any questions, feel free to call us.*

## Easy Free Quote Request Form

I would like a quote for:

- Group Health Insurance
- Group Dental Insurance
- Group Life Insurance
- Group Disability Insurance
- Individual Life Insurance
- Individual Disability Insurance
- LTC Insurance

Name: \_\_\_\_\_

Company: \_\_\_\_\_

Email: \_\_\_\_\_

**Fax this page back to: 1-914-931-1975 or call 914-633-1717 or email: [bill@healthplansny.com](mailto:bill@healthplansny.com)**



Many Thanks to our great clients who referred us to their friends. We really appreciate your referrals!

- Tim O'Brien
- Gerry Brown
- Alicia Horowitz
- Marc Hanover

## 8 Great Reasons To Call!

1. *Shocked at your renewal increases? People are saving up to 27% by calling for a free comparison quote.*
2. *We will work to get you every discount you deserve.*
3. *We Guarantee you will always have the proper coverage at the best rate!*
4. *We do the shopping for you. Quotes from every company within minutes.*
5. *We service what we sell. Say good-bye to your claim problems.*
6. *35 combined years of experience.*
7. *One-Stop-Shop for all your benefit needs.*
8. *Referral Rewards Program.*



**We've Got The Sharpest Pencil in Town!**