

## KEEPING YOU INFORMED

**BCBSRI Update**

As premiums rise, employers are seeking creative options to lower health care costs. Health Savings Accounts (HSAs) are the best employee benefit solutions to lower health care costs in the short-term and allow participants to help save money for qualified expenses in the future. These outcomes are achieved by putting the participant more in control of navigating the health care system and incentivizing them to be informed and responsible consumers.

HSAs are two part plans. First, the participant enrolls into an HSA-qualified high deductible health plan (HDHP) from Blue Cross & Blue Shield of Rhode Island (BCBSRI). The unique components of the HSA-qualified HDHP's are:

1. The in-network deductible has to be a minimum of \$1,300 for individual plans and \$2,600 for family plans
2. All covered medical services and prescriptions apply toward the deductible

The second part of the HSA program is the pre-tax bank account. The HSA can be funded by both the employer and employee up to a maximum in 2017 of \$3,400 for individual plans and \$6,750 for family plans (if the accountholder is 55 years or older an additional \$1,000 can be deposited). The HSA is used to help the participant pay for qualified health care expenses such as the deductible as well as other costs like dental and vision out-of-pocket expenses.

The most unique component of an HSA is its long-term benefits. If there is still money left in the participant's HSA at the end of the year, the funds carry over to the next year. The funds in the account can also be invested in interest-earning vehicles such as mutual funds. Therefore, this program can be treated like a 401k that accumulates money to be used for future medical expenses.

Due to the HDHP, short term advantages and long term advantages, an HSA solution brings many benefits to the employee and employer such as:

**Wins for the Employee:**

- Increase tax savings
- Lower health insurance costs
- Qualified health care expenses become more affordable
- Ability to save for health care costs in the future
- Invest contributions and accumulate tax-free interest

**Wins for the Employer:**

- Lower health insurance premiums
- Decrease payroll taxes
- Incentivize employees to be more responsible health care consumers
- Improve employee benefit offering

HSAs are the fastest growing consumer spending account in the RI marketplace for businesses of all sizes. However before implementing the program it is important to prepare your client. It is recommended that you consider the following:

- Begin the HSA implementation process about 45 days prior to the effective date
- Discuss the HSA funding process with the employer and HSA custodian
- Make sure you setup employee meetings so the participants are fully informed of how to maximize the advantages offered by HSAs.
- Reach out to BrokerNetUSA and London Health, BCBSRI's HSA administrator, for dedicated and personalized assistance. The most important step to properly implementing HSAs is educating the consumer and making them comfortable with the new concept of consumer- driven health plans.

For more information or additional support, please contact David Antonelli at [david.antonelli@amwins.com](mailto:david.antonelli@amwins.com) or 401-734-2410.

## STAY UP TO DATE

**TASC Webinar Series**

Throughout the month of June, TASC is offering four complimentary educational webinars, each focusing on one of the following topics:

- ERISA Compliance (6/5/17 10AM or 6/19/17 1PM)
- FMLA Compliance (6/6/17 1PM or 6/20/17 1PM)
- HIPAA Compliance (6/13/17 1PM or 6/27/17 1PM)
- FSA Solutions (6/14/17 1PM)

The webinars are intended for brokers and their clients that are interested in learning more about the regulations and requirements of each and will also provide helpful information on how TASC can provide solutions specific to your clients' needs.

If you would like to join one of these no-cost webinars, contact Jessica Northup at [jessica.northup@amwins.com](mailto:jessica.northup@amwins.com) for log in and audio information.

Also, if you have a group of clients that would benefit from one or all of these outsourced solutions, a team of experts are available to provide an educational meeting, onsite and the location of your choice. To take advantage of this opportunity to provide free education and expand your menu of client services, please contact David Antonelli at [david.antonelli@amwins.com](mailto:david.antonelli@amwins.com) or 401-734-2410.

## TRENDING INFORMATION

**Blue Cross Blue Shield RI Deadline**

- 7/1/17 New Business Deadline is 6/23/17
- 8/1/17 New Business Deadline is 7/23/17
- Renewal Plan Change Deadline (all product types) – 15th of the month prior to the renewal date

As always, the team at BrokerNetUSA is available to assist you throughout the new business (1-50) and renewal process (1-4).

## TRENDING INFORMATION

**Dental Coverage**

Blue Cross Blue Shield RI no longer requires the SIC Code to quote dental coverage on Small Groups (1-50). Rates are based on effective date, plan design and enrollment.

Dental coverage is not offered to clients who provide dental services, such as dentists, orthodontists, etc. If you have a client that is in the dental health industry and is requesting dental coverage, we will need the SIC code so that the Dental Underwriting Department can review the case to determine eligibility.

Groups that purchase health AND dental coverage through BCBSRI are eligible for a bundling discount. The discount applies to the dental premiums. The dental rate proposals provided alongside the health renewal DO NOT include this discount, rather it is calculated once the dental enrollment package is submitted. Be sure to speak with your clients about this available discount when reviewing the health renewal.

Please remember that clients can elect to waive the Pediatric Dental Rider on the medical plan if they have a dental plan that is certified by HeathSourceRI as a qualified dental plan. Removing this rider can result in medical premium savings and eliminate duplicative dental coverage. Discuss this with your clients who have qualified plans so the rider can be removed upon initial enrollment of the health plan.

**Broker of Record Form**

In order to receive commission when adding new products to one of your existing accounts, a Broker of Record Form must be submitted, indicating ALL lines of coverage sold. For example, a group that has an existing health plan and is adding vision coverage will need to provide a new BOR with both health and vision checked off. The BOR should be submitted along with the Amendment to the Sales Agreement and any other enrollment paperwork.