

## BENEFIT eBRIEFS

*"This publication is only for general informational purposes and is not intended as specific legal or insurance advice. Please contact Bollinger directly to discuss your specific needs."*

### Legislative/Regulatory News

- **Medicare Premiums and Deductibles for 2006**

The Centers for Medicare & Medicaid Services (CMS) announced the following changes to the Medicare premiums, deductibles and coinsurance paid by beneficiaries that become effective on January 1, 2006. [Click here to continue.](#)

- **Federal Bankruptcy Law Pre-empts State Retirement Rules**

A bankruptcy reform law which took effect recently may make future filings more difficult for individuals, but it will ease administration for benefit managers, according to experts. [Click here to continue.](#)

- **Panel's Proposal on Tax Reform Would Abolish ESOPs**

NCEO's Executive Director Corey Rosen discusses the effect of the proposals in the final report of the Presidential Advisory Panel on Federal Tax Reform. Most importantly, the Panel's proposals would replace existing defined contribution plans (which include ESOPs) with a new Save at Work plan. Also of interest is the proposed repeal of the alternative minimum tax (AMT). [Click here to continue.](#)

- **2006 Cost of Living Adjustments Announced**

The IRS has released Information Release 2005-120, announcing cost of living adjustments to certain dollar limits for retirement plans, generally effective January 1, 2006. The IRS announcement covers the increased dollar limits due to the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA), as well as cost of living adjustments to dollar limits not addressed by EGTRRA. Click [here](#) to review the 2006 dollar limits.

- **Question of the Month: 401(k) Plans**

**Question:** "Our company sponsors a 401(k) plan and in the past has made matching contributions to the plan. Due to some financial difficulties, our management has decided that matching contributions will not be made for the 2006 plan year. Do we need to provide advance notice to our participants that the company will not be making matching contributions to our 401(k) plan next year? [Click here for the answer.](#)

## Benefit Trends

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- **Prescription Drug Coverage in Light of Consumerism Initiatives**

Prescription drugs are an extremely important part of medical coverage. Due to their rapidly rising cost, which has outpaced all other components of healthcare over recent years, they have received a lot of attention from employers and insurance carriers. Even Congress has gotten involved with new rules for Medicare recipients. Some efforts have sought to shift costs to employees while others have sought to change utilization patterns. [Click here to continue.](#)

- **Rx for America: A National Health Plan**

Fewer workers each year receive health insurance from their employers. The U.S. currently has almost 46 million uninsured residents, and the problem has "only become more serious" in recent years as employees and retirees face a "new set of challenges in the field of health care," Ron Gettelfinger, president of the United Auto Workers union writes in a *Detroit News* opinion piece. [Click here to continue.](#)

- **Predicted Declines in Health Care Claims Costs for 2006**

The 2006 Segal Health Plan Cost Trend Survey forecasts declines in 2006 trends. Segal defines trend as the forecast change in health plans' per-capita claims cost determined by insurance carriers, managed care organizations, and third party administrators. [Click here to continue.](#)

- **Less Can Be More When It Comes to Voluntary Benefits**

Employees continue to spend big on voluntary benefits, as several new reports show. And employers are adding more of these products to their benefit plans. But are employee-consumer dollars being spent wisely? And are employers making sure the voluntary products they offer contribute to the broader mission of the benefits package: recruitment, retention and development? [Click here to continue.](#)

- **Health Care Concerns Remain for Small Businesses**

Results of the Administaff Business Confidence Survey showed that cost and availability of health care remains the top concern for small business owners. [Click here to continue.](#)

- **Cancer in the Workplace & the Americans with Disabilities Act**

The US Equal Employment Opportunities job applicants or employees who have or had cancer. [Click here to continue.](#)

- **Late Bloomers: Consumerism Comes Into Dental Benefits**

Unlike medical plans, dental plans have been slow to adopt aspects of consumerism. However, as HSAs and consumer-driven products grow in the medical market, more plans in the dental arena are grafting on consumerism features, such as better online tools and account-based designs. [Click here to continue.](#)

- **Rising Claims, Restricted Coverage Creates Disability Disconnect**

When it comes to short-and long-term disability utilization and coverage rates, something doesn't quite add up. [Click here to continue.](#)

- **401(k) Matches Ease Pain of Benefit Cuts**

A growing number of companies are using a heftier 401(k) match to soften the blow of benefit cuts, especially when terminating or freezing an existing defined benefit pension. [Click here to continue.](#)

## Carrier News

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- **Aetna's Depression Management Initiative**

Tackling a significant quality of care issue, Aetna has launched a new program that attempts to improve the delivery of mental health care services by strengthening the identification and treatment of depression at the primary care physician level. [Click here to continue.](#)

- **CIGNA Behavior Health's Employee Assistance Program**

Business Insurance Magazine has announced that the CIGNA Behavioral Health (CBH) Employee Assistance Program (EAP) was chosen by their readers as the Best Overall EAP in the country in the publication's first annual "readers' choice" award. Click [here](#) for details.

- **InfiniSource Regulatory Updates**

Click [here](#) to InfiniSource's most recent issue of *Legislative Review*.

- **MetLife's Mature Market Institute Study on Retirement**

Click [here](#) for a copy of MetLife's informative study on American attitudes toward retirement.

- **Oxford Benefit Administrators Bulletin Fall 05**

Click [here](#) to view the most recent version of OHP's employer newsletter.

- **WellPoint Acquires WellChoice**

WellPoint, the giant health insurer, has finalized a merger with WellChoice, the largest health insurer in New York State and the parent of Empire Blue Cross Blue Shield, for approximately \$6.5 billion in cash and stock. The deal, pending regulatory approval from both NY and NJ, gives WellPoint an expanded foothold in the Northeast. In the meantime it will be business as usual. This is good news for New Jersey planholders. Current Empire CEO Michael Stocker will be the future Chief Officer of WellPoint Northeast Region. There will be no changes to WellChoice's products or rates, and will eventually strengthen their network capabilities and product spectrum. Please visit [www.wellchoice.com](http://www.wellchoice.com) for a press release on the merger.

## Property & Casualty Updates

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- **National Flood Insurance Program**

Click [here](#) for answers to the most frequently asked questions regarding the coverage provided under a Flood Insurance Policy.

## Of Interest

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- **2005 NJ HMO Performance Report**

New Jersey's Department of Health and Senior Services has released the 9<sup>th</sup> annual HMO Performance Report. This report contains information on the performance of NJ's managed health care plans, how well these plans deliver important health care services, and how members rate the services they receive. Click [here](#) for a copy of the report.

- **ADA Handbook for Small Businesses**

[Click here](#) for the EEOC's online manual about disabilities.

- **2004 401(k) Benchmarking Study**

A wide-ranging study showing how 401(k) plans are managed, including whether employers offer automatic enrollment, how often companies eliminate poor-performing investments and more. [Click here to continue.](#)

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If you would like more information on any of the topics reviewed in this newsletter, please [click here](#).

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