

April 2009

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Employer Update

from MEDICA.

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Questions? Please contact your broker or Medica representative.

Career Workshop at Medica - Saturday, April 25

Medica is hosting *A Career Workshop: Navigating Your Job Search* to help individuals who have been laid off in this tough economic climate. The event will be held on Saturday, April 25, 2009, from 8 a.m.-1 p.m. at Medica headquarters in Minnetonka. The workshop includes sessions on the psychological impact of a layoff, a focus on wellness during tough times, health insurance options, how to reinvent yourself, networking strategies, resume building and self-marketing.

Please extend this invitation to any impacted employees.

Reservations are required at www.medicalevents.com.

Health topic of the month:

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Wellness News: Lower your cancer risk

The risk of developing most types of cancer can be reduced by changes in a person's lifestyle; for example, by quitting smoking, limiting time in the sun, being physically active, and eating a better diet. This month's *Wellness News* provides tips on many healthy lifestyle habits that help reduce the risk of cancer.

[Download Wellness News to share with your employees.](#)

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New legislation affects enrollment rights

On February 4, 2009 new legislation was signed that impacts the Children's Health Insurance Program (CHIP). This new law provides states with *the option* to subsidize the payment of group health plan premiums for certain CHIP and Medicaid recipients who have access to and elect employer sponsored coverage. *Currently, no states in the Medica Service Area (MN, ND, SD, WI) have established this subsidy.*

Effective April 1, 2009 this law does require most fully insured and self-insured commercial group health plans to establish two new special enrollment rights (except plans sponsored by churches and MCHA).

- *Loss of Medicaid or CHIP eligibility* - An employee or dependent who was covered under either Medicaid or CHIP and becomes ineligible, but is eligible for a group plan, may request enrollment in the group plan.

Cancer Awareness

The risk of developing most types of cancer can be reduced by changes in a person's lifestyle. The newsletter below includes six simple steps to reduce the risk.

Download and distribute to your employees or use the content in your own communication vehicles.

[Cancer Awareness Newsletter](#)

Many Medica plans already contain a similar special enrollment right, although the new law allows the employee or dependent up to 60 days to request enrollment in the group plan, rather than the 30 days typically allowed.

- *Becoming eligible for premium assistance* - An employee or dependent who is eligible for a group plan and becomes eligible for premium assistance may request enrollment in the group plan no later than 60 days from the date of premium assistance eligibility.

Medica will be issuing amendments to plan documents and certificates of coverage as appropriate. We will continue to monitor state activity and keep you informed if states in the Medica Service Area choose to offer the subsidy.

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Penalties may apply for failure to provide SSNs

As previously noted in this newsletter, a new federal directive requires all group health plans to provide select social security numbers (SSNs) to the Centers for Medicare and Medicaid Services. Reports listing required SSNs were mailed to affected employer groups at the end of February. Follow-up letters are now being sent to groups that haven't responded to the previous request. Requested SSNs must be provided to Medica by May 15, 2009 or penalties may apply for insurers, third party administrators, employers and/or plan administrators.

As a result of this directive, we have modified our enrollment process. Enrollment forms received by Medica without the necessary SSN information will be held while we contact the employer to request it.

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Premium subsidy update

On February 17, 2009, the American Recovery and Reinvestment Act of 2009 was signed into law. The new law provides premium assistance to individuals who lose their group health coverage as a result of an involuntary termination of employment and includes a federal subsidy for continuation coverage premiums for up to nine months. There are different rules for the subsidy depending on a group's *total* number of employees:

- **Groups with 20 or more employees:** These groups are covered under the federal COBRA law and will need to administer the subsidy and collect the subsidy reimbursement through a payroll tax credit. These groups have until April 18, 2009 to issue a letter to eligible individuals outlining their rights and responsibilities. [View Department of Labor COBRA information.](#)
- **Groups with fewer than 20 employees:** These groups are covered under state continuation law, rather than COBRA. Medica has prepared a packet of information outlining the process for groups of this size. Employer groups need to respond to Medica by May 1, 2009, in order for Medica to administer the premium subsidy. Employers will receive the following materials in the mail beginning next week:
 - [Small group employer customer letter](#)
 - [Premium subsidy employer action steps](#)
 - [Premium subsidy employer guide \(Steps 1 through 6\)](#)
 - Forms:
 - [Attestation Form Concerning Employer Size And Subsidy Administration](#)
 - [Continuation Eligible Individual List for reporting continuation eligible individuals to Medica](#)
 - [Assistance Eligible Individuals \(AEI\) Status Request & Continuation Enrollment Form](#)

These materials, along with an updated [Frequently Asked Questions \(FAQ\)](#) are also available on

Medica.com. If you are a group with fewer than 20 employees and have not received a letter by the end of April, please contact the Medica Service Center at 952-992-2200 or 1-800-936-6880. The information provided should not be construed as legal advice, we encourage you to contact your legal counsel if you have questions concerning your duties as an employer.

[View premium subsidy information on Medica.com.](#)

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Improvements to COB process

Medica is improving the process for updating our members' coordination of benefit (COB) information. In the past, if we didn't receive complete COB information during enrollment, we required members to fill out a COB questionnaire form in order to update our records.

Going forward, we will begin phone outreach to new enrollees if we have incomplete enrollment information. Additionally, we will send a follow-up letter if the member cannot be reached. All members will continue to receive a letter once per year, directing them to simply call us with their other insurance information to ensure our records are up-to-date. By eliminating the paperwork and making a call out to new enrollees, we can more quickly update eligibility records and process claims that are pending.

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Employee Health and Wellness 101 Event

Employer groups attending Medica's Employee Health and Wellness 101 event on March 26th learned about easy ways to get started with worksite wellness activities. The event focused on simple tools to help employees manage their health, which can lower your healthcare costs and lead to healthier, more productive employees. Attendees received copies of our new kit of promotional materials for My Health Manager from MedicaSM and other tools to promote healthier living.

During the highly engaged small group discussions, employers shared ideas for how they could engage their employees. Here are some of the ideas:

- Ensure employees know about all of the programs available to them as a Medica member. Encourage them to visit www.medica.com/managemyhealth.
- Download the ready-made newsletters and other promotional items that Medica has available and post them in common areas and on their company Web site.
- Have an ongoing calendar of events including Medica promotions and others, such as a salad potluck or a weight loss competition.
- For groups that have access to My Health Manager from Medica, set up a computer station in a lunchroom or common area and let employees take a health assessment while still on the clock.
- Take advantage of the programs and materials that can even be used for non-Medica members, such as the Shape Up Challenge or *Wellness News* (included in your *Employer Update* each month).
- Promote the \$125 in gift cards that are available through My Health Manager from Medica to help motivate employees to take action.
- Use leftover money from FSA accounts to fund wellness programs.

[Download My Health Manager from Medica promotional materials.](#)

[View other simple tools to help employees manage their health.](#)

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Medica Direct[®] HRA/FSA brochures now online

You can now download and print new brochures on Medica Direct HRA and FSA. These pieces describe the advantages of these products and can answer many of the questions you and your employees may have about consumer-directed plans.

[View Medica Direct HRA brochure.](#) | [View Medica Direct FSA brochure.](#)

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Credit for two health club visits for flood victims

Medica is providing credit for two visits to participating Fit ChoicesSM by Medica program members impacted by the floods. Members who are enrolled in the Fit Choices by Medica program in Fargo, North Dakota and Moorhead, Minnesota will automatically receive two visit credits on their account for the month of March. Members will have needed to work out a minimum of six days in March to receive the \$20 credit.

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Health club reimbursement program adds locations

Fit ChoicesSM by Medica, our nationwide health club reimbursement program has added four new health club locations as of April 1:

- Beyond Fitness - Plymouth, MN
- Edge Fitness - Moorhead, MN
- Supreme Court - Virginia, MN
- YMCA - Custer, SD

By enrolling in a participating facility and working out at least 8 days per month, eligible Medica members receive a \$20 credit towards their monthly dues.

[View participating fitness facilities.](#)

Fit Choices by Medica is included with fully insured plans; available for purchase by self-insured groups.

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