

## Trust Adds New COBRA Administrator

A new COBRA administrator is now in place for CalCPA-member firms with employees enrolled in the Group Insurance Trust's medical, dental and vision plans. As subscribers are probably aware, at the beginning of 2010, Banyan Administrators, LLC replaced Seabury & Smith as administrator of the Trust's group insurance plans. Seabury previously had provided COBRA and CalCOBRA administration to CalCPA plan members. However, with the administrative transition, the Trust found it necessary to contract with a secondary administrator for these services. After a lengthy search, the Trust engaged Infinisource, a leader in COBRA and CalCOBRA administration, to provide member firms with these specialized services.

Founded in 1986 to help employers and insurance professionals navigate complex benefit-

related federal regulations, Infinisource has streamlined the complex and time-consuming procedures that all firms must adhere to. Benefit managers and individual members will be pleased to find that the new online tracking capacities now available through Infinisource will make it easier both to track payments and comply with regulations.

### Administrative Procedures

Firms with an average of 20 or more employees in the previous calendar year, and, thus subject to COBRA, must contract directly with Infinisource. These firms may, however, choose to contract directly with another COBRA administrator or to self-administer these benefits. The Trust will, however, absorb the costs of administration for firms selecting Infinisource as their

provider. The Trust contracts directly with Infinisource on behalf of its CalCOBRA firms (i.e., those with 2-19 employees). Whether employees qualify for COBRA or CalCOBRA, firm administrators should communicate all qualifying event information to Banyan Administrators.

The "COBRA/CalCOBRA Notice and Notification Form" is available at the ProtectPlus website ([www.cpaprotectplus.com](http://www.cpaprotectplus.com)). To access the form, click through "Rates & Forms" on the menu bar and choose "other." The completed form should be mailed or faxed to Banyan within 30 days of the qualifying event for COBRA, or 31 days for CalCOBRA. If you need any help completing the form, call Banyan Administrators at (877) 480-7923.

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## Waiting Period Protects Employers

Recently the owner of a CalCPA-member firm contacted Banyan Administrators, LLC, managers of the CalCPA ProtectPlus health and welfare programs, about adding a new employee to his firm's ProtectPlus medical plan. The new employee, it turned out, was a close relative, and the owner wanted to get him enrolled and covered as soon as possible—preferably, right away.

The fact that the new employee was related had, in fact, no bearing on how the matter was handled. What was relevant, however, was the firm's written policy, clearly spelled out in its benefit plan subscription agreement (an employer's master application and agreement with the Group Insurance Trust or other carrier), that new employees had to com-

plete a two-month waiting period before being eligible for benefits. Naturally, the firm's owner was disappointed that his relative would have to wait the same as any other new hire. Nevertheless, he was also appreciative that Banyan had helped him keep his firm in compliance with both HIPAA and ERISA rules. The Department of Labor

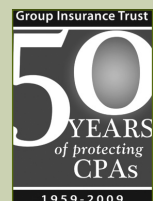
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# New Cobra Administrator

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The form contains a checkbox for each legally defined “qualifying event” as well as a line asking whether termination was voluntary or involuntary. If the firm has contracted (or wants to contract) with Infinisource, Banyan will convey this information to Infinisource, which will determine if former employees qualify for benefits. If they do, Infinisource will set up an online tracking system and, at the same time, send out a Qualifying Event Notice with a user ID and password for gaining access to that information. Infinisource will handle the billing to CalCOBRA/COBRA members directly, and it will also bill COBRA firms for the subsidy portion that they owe on their ex-employees’ premiums.

Former employees who have exhausted

their 18-month COBRA benefits have the option to continue their coverage under CalCOBRA. In advance of their COBRA termination, they will receive an election package from Infinisource to continue on CalCOBRA.

## ARRA Continuation

Beginning February 17, 2009 the American Recovery and Reinvestment Act (ARRA) offered individuals who would ordinarily qualify for COBRA coverage—and whose income fell below a specified level—the opportunity to continue COBRA coverage at a reduced cost. It also offered these individuals the opportunity to newly enroll in COBRA.

On April 15, 2010 the benefits of the

ARRA were extended by HR 4851 until May 31, 2010 for qualifying events on or after September 1, 2008. For eligible individuals, the federal government subsidizes 65 percent of COBRA premiums while the individual subscriber pays 35 percent. Under the legislation, premiums for medical, dental, and vision policies can be covered for a maximum of 15 months. As with COBRA and CalCOBRA, Infinisource administers this program for ProtectPlus subscriber firms and their former employees.

Nevertheless, since further legislation is pending in the House that would again extend this program, firms should keep themselves informed. In addition, Infinisource will work with employers to make sure that they stay in compliance. ♦

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# ProtectPlus Embraces Social Media

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If it weren't a true story, you would have thought that a marketing person with a hand in the world of new media had made it up. Recently, a CalCPA member saw a “tweet” about ProtectPlus, and, wanting to know more, she

followed a link to a ProtectPlus blog that gave some background on Group Insurance Trust health plans. She was intrigued enough to follow a link from the blog to the CPA ProtectPlus website ([www.cpaprotectplus.com](http://www.cpaprotectplus.com)) and found

herself thinking that there might be an opportunity to improve her firm's health plans and reduce premiums. She wasn't sure, however, if her firm met eligibility requirements, but seeing the linked

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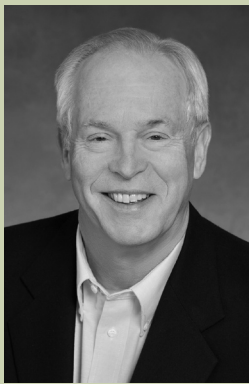
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# Meet the Trustees: John B. Phillips



**It wouldn't be** quite fair to say that John Phillips was there in the beginning, but as the Group Insurance Trust's longest-serving member and former Executive Director, he

has been intimately involved in the evolution and growth of CalCPA's insurance program for almost 40 years, including formation of the group health insurance program as a Multiple Employer Welfare Arrangement (MEWA).

Phillips joined CalCPA in 1968 shortly after receiving his CPA license. In 1972 he became a member of the Insurance Committee when Jim Kurtz, the long-time CEO of CalCPA, served as its Secretary. The Committee at that time was charged with overseeing all CalCPA-sponsored insurance plans and the Trust. This area of service also fit well with his professional responsibilities at Coopers & Lybrand in San Francisco where he had become the first employee in what over many years would become a major human resource advisory group. One might say that Phillips was in the right place at the right time in respect to both his job and volunteer service, but that wouldn't do justice to his enthusiasm for the work that engaged him over his

long career. He has always found, he says, the precision of numbers to be "fun" and looked forward to his work every day—31 years with Coopers & Lybrand (now PricewaterhouseCoopers) and 10 years as executive director of the Trust.

After graduating from the University of California, Berkeley in 1962, serving in the military, and entering the workforce, Phillips soon saw, as he puts it, that "the language of business is accounting." This insight inspired a return to Cal for an MBA with an accounting emphasis, which he earned in 1966, and then a stint at Golden Gate University at night for an MBA in taxation in 1972.

Already employed and trained as a CPA at Coopers & Lybrand, when the opportunity arose to join the actuarial group, he took the leap. He learned, he says, by doing the work in front of him. He took and passed the exams required to become an Enrolled Actuary and became a Member of the American Academy of Actuaries. He became a partner in Coopers & Lybrand in 1974 and built a human resources advisory group that ultimately employed 110 partners and employees in San Francisco and another 70 in Los Angeles. They had among their clients some of the country's largest companies.

While Phillips' own practice was "mostly on the pension side," he managed departments that offered a range of benefit consulting services, including defined benefit

plans, defined contribution plans, health care plans, and compensation plans. About the latter he comments with characteristic wry humor, "people think that creating a compensation plan is easy, but it's trickier than it looks. Without realizing it, you can incentivize the wrong actions. Certainly there has been plenty of evidence corroborating this principle in the last year or so."

When he became executive director of the Group Insurance Trust after retiring from Coopers & Lybrand in 1997, he made it his chief goal to provide member-owned firms with an economical, competitive, high quality health insurance program. In establishing the new company, he wrote the original policies and procedure manual that created the operating structure for the Group Insurance Trust and comments with pride, "We set up an insurance company. It worked well, and it continues to." Looking back on his years as Executive Director, he acknowledges that the one area of the job that always felt like a challenge was in sales and marketing. In this regard, he is very pleased that Susan Young, the current ED, and Tom Kowalski, Sales Manager, provide strong leadership in areas where it was most needed.

At present, Phillips continues as a Trustee and as chair of the Finance and Investment Committee. In this capacity he helps monitor the investment portfolio and evaluate the need for change even as the Trust maintains the steady course that he helped create. ♦

## Social Media

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phrase, "Ask our Sales Manager," she clicked through, filled out the contact information, and typed in her question.

You've already guessed the ending, but the point of the story is to let CalCPA members know—whether or not they

are ProtectPlus subscribers—that the Trust has a growing social media presence offering valuable health, medical, and insurance information that you can access at your computer or on your smart phone. At the bottom of the home page on the website, you will find a series of icons with links to our blog (<http://cpaprotectplus.com/blog/>), Twitter account ([www.twitter.com/cpaprotectplus](http://www.twitter.com/cpaprotectplus)) and Facebook site ([www.facebook.com/cpaprotectplus](http://www.facebook.com/cpaprotectplus)).

ProtectPlus has also created its own popular widget, the Daily Dose, which you can download from the home page. This useful desktop tool delivers top news items that refresh daily, including late-breaking news about health and medicine, stocks, sports, business and finance. ♦

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## CalCPA-Sponsored Plans

**Get information now!** For more information on the following CalCPA-sponsored plans, please complete this card and fax it back to **(650) 802-2249**.

### Individual Plans

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- Individual Term Life Coverage
- Individual Personal Accident Protection

### Employer Group Plans

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Information and premium rates for Employer Group Plans are available online at [www.cpaprotectplus.com](http://www.cpaprotectplus.com)

- CPA ProtectPlus Health Plan

(Please indicate number of permanent employees working more than 20 hours per week \_\_\_\_\_.)

- Group Dental Plan
- Group Long-Term Disability Plan
- Group Term Life Plan
- Group Vision Service Plan

### Professional Liability Coverage

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More information is available at [www.camico.com](http://www.camico.com)

- CAMICO

### Please Print

Name \_\_\_\_\_

Firm Name \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_

State \_\_\_\_\_

Zip \_\_\_\_\_

Phone Number \_\_\_\_\_

No. of Professionals in Firm \_\_\_\_\_

**Yes, please send eFocus. Here is my email address:**

\_\_\_\_\_

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For further information about  
CalCPA-sponsored plans,  
fill out and send this card to:

**CPA Focus Editor  
The Group Insurance Trust  
California Society of CPAs  
1235 Radio Road  
Redwood City, CA 94065-1217**

Or fax this form to:

**(650) 802-2249**

You can reach us by phone:

**(800) 556-5771**

The following options are available:

Brokers—press 1  
Enrollment information—press 3  
Current policyholders—press 4  
Staff directory—press 5  
Accounts payable—press 6  
Member services—press 0

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# Waiting Period

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(DOL) is concerned about fair treatment of employees, and issues of discrimination immediately arise if employees are not treated equally.

Because Banyan service center representatives had the information at their fingertips in their computer system, they were able to provide an explanation to the firm's owner on the phone. Even if the owner had not contacted Banyan proactively, Banyan would have flagged the employee's enrollment form when it came in because it did not meet the employer's established policy. An important feature of Banyan's computerized recordkeeping is to help member firms prevent unintended regulatory violations.

At the same time, the Trust provides flexibility by offering member firms a

broad range of options in setting their own policies. A firm can choose to add new hires to their existing plans on the first of the month following the day of hire or up to six months after, provided they are consistent. Existing rules are subject to change as the Patient Protection and Health Care Affordability Act (health care reform) is implemented and the specifics of the law are ironed out. The Trust and Banyan will continue to monitor evolving regulations and keep you informed as health care reforms solidify.

Generally, employers may change their benefit waiting period and other employee eligibility policies during the annual open enrollment period. It makes sense to review these policies each year to ensure that they are consistent with your firm's hiring practices. If you are not sure about your company's benefits eligibility policy as stated in your ProtectPlus Subscription Agreement, or if you are not sure whether

the subscription agreement is consistent with your employee handbooks or other new-hire materials, call the Banyan Service Center at (877) 480-7923 or email [cpaprotectplus@banyan-llc.com](mailto:cpaprotectplus@banyan-llc.com). A Banyan member service representative will be happy to answer your questions. ♦

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## The Trust is Moving

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**On June 11, the Group Insurance Trust** along with CalCPA, the Education Foundation and Camico will be moving to its new offices just a short distance north of its current location. Please take note of the new address: 1800 Gateway Drive, Suite 201, San Mateo, CA 94404. The 800 numbers for all organizations will remain the same, as will email addresses. However, individual phone numbers and many fax numbers will change. ♦



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