

Trust Scores B++ Rating from A.M. Best

In May 2008 A.M. Best Co., the leading provider of information in the insurance industry, assigned the Group Insurance Trust (GIT) a financial strength rating of B++. This makes the GIT the first and at present, only Multiple Employer Welfare Arrangement (MEWA) in the nation to hold an A.M. Best rating and represents a landmark achievement, affirming the monetary stability and performance of the GIT and its health insurance offerings. To receive such a high rating on a first-time application

makes the accomplishment even more remarkable.

Best's rating reflects, in its own words, the GIT's "historically positive operating results, and its strategy to provide medical, dental, vision and related health and welfare plans designed to meet the needs of CalCPA members, their employees and dependents."

For Trust staff the Best rating came at the end of more than six months of hard work. Every aspect of GIT operations had to be documented, with a complete account of the program's mission and history, plan offerings,

management structure, operations, marketing and sales plans, reinsurance and risk management, goals, and, of course, financials. Because Best had never rated a MEWA before, and since much of the required information existed in different forms and formats than Best was accustomed to, the examination process, which is always rigorous, was further complicated.

Trust staff eventually delivered an eight-inch-thick binder with five year's information about every aspect of its plans. The

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New Specialty Prescription Program

Addressing the financial and medical challenges associated with a new generation of biotech drugs, Anthem Blue Cross is implementing an enhanced level of services to monitor, manage, and distribute these medications. Blue Cross recently acquired and integrated PrecisionRx Specialty Solutions into the WellPoint system, giving the company a greater ability to coordinate medical and pharmacy criteria, save subscribers money, and achieve service quality goals. The program coordinates between prescribing physicians, pharmacies, and patients to manage more effectively the participant's medication and condition.

Prescription drugs in this program are for the most part used to treat rare and chronic diseases such as cystic fibrosis, hepatitis C, multiple sclerosis, and rheumatoid arthritis. Growth hormones, certain oncology drugs, transplant drugs, infertility drugs, and a few other medications are also included. The common element among these varied drugs is their high cost, which can range from \$5,000 to more than \$200,000 per patient annually. For example, the widely publicized Humira, which is used for rheumatoid and psoriatic arthritis, costs patients \$20,000 to \$30,000 annually, as do several drugs designed to slow the progress of multiple sclerosis.

With costs of new and forthcoming medicines reaching these heights, insurers need to do what they can to reduce the cost to the end user. The solution has been to gain access to quantity discounts and mandate that patients acquire these medications directly through Specialty Solutions. To further warrant that the money is well spent, Specialty Solutions has developed a program to monitor utilization and results, making sure that medications are being used at the prescribed dosage and frequency while producing the expected results. And while the percentage of subscribers who are currently receiving medications that justify

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Update Info Online

Thanks to the ProtectPlus website (www.cpaprotectplus.com), staying current with your insurance paperwork has never been easier. Member firms who subscribe to the group long-term disability plan from Hartford Life, which is offered by the Group Insurance Trust can now access salary update forms online. Staying current on salary changes is extremely important since both premiums and benefits are directly linked to the reported salary. To insure that employees receive all their benefits, these forms should be updated every year or whenever a change takes place.

In the realm of the mundane but vitally important, subscribers to any of the Group Insurance Trust plans should report address changes as they occur. Forms are also on the site for this purpose. ♦

A Note from Susan Young, Executive Director

If you have hesitated to offer ProtectPlus to your employees because it was an unknown entity, our newly awarded A.M. Best rating should certainly put your last qualms to rest. Moreover, by acting now, you and your staff can save money on a line of outstanding and competitively priced health plans that utilize the largest provider network available in the state of California, Anthem Blue Cross (formerly Blue Cross of California). Best of all, firms newly enrolling in the ProtectPlus health-care program for a plan effective date between August 1, 2008 and January 1, 2009 will lock in current 2008 premium rates until January 1, 2010.

Since its inception, ProtectPlus has offered a portfolio of cost and benefit options to member firms. In 2008 there were six plans with different copay levels (ProtectPlus 10, 15, 25, 35, 45, and 25 Enhanced). There were also two HSA-eligible plans differentiated by their deductible levels (HSA-\$1,500 and HSA-\$2,850), as well

as two Anthem Blue Cross CaliforniaCare HMO plans. For the 2009 plan year the Group Insurance Trust is adding two new enhanced plans, which, like ProtectPlus 25 Enhanced, exempt a generous level of basic care from deductibles. This exempted care includes the first six in-network physician and mental and nervous outpatient visits per calendar year.

Beginning January 1, 2009, ProtectPlus will also offer an expanded preventive care benefit to HSA subscribers by exempting the first \$250 of eligible preventive care services from the deductible amount.

Member firms can enroll in one or all of the ProtectPlus plans, and one of the HMO plans. Each eligible employee (including partners and owners) must complete a group enrollment form for the plan they select. All forms are available at the ProtectPlus website (www.cpaprotectplus.com). If you have any questions, please call Seabury & Smith Insurance Program Management at (800) 824-1154. ♦

Blue Cross Specialty Solutions Program

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this kind of management is small today, it will certainly grow in time as new bio-tech drugs come on the market carrying ever higher price tags.

For those receiving these treatments, the program comes with a host of services, including access to a team of personal care coordinators, pharmacists, and nurses. A 24/7 nurse hotline can provide answers to

specific questions about medications. In addition, members in the Specialty Solutions program have access to counseling and the advice of nurses with specific training. Because the unit is monitoring the use of medications, Specialty Solutions will call patients with a refill reminder before they run out. This program is already up and running for those directly insured through Anthem Blue Cross. It will go into effect for ProtectPlus subscribers beginning January 1, 2009. ProtectPlus members currently utilizing one or more of these specialty medications will be

notified of the new dispensing procedures before the program goes into effect. You can check online to see if your medication is on the Specialty Solutions drug list, (http://pd.web.anthem.com/wpf/forms/Precision-RxSolutionForm_0408.pdf). You can also call (800) 870-6419 for more information. Care coordinators are available to take calls Monday through Friday, from 8 a.m. to 9 p.m. Eastern Time. For speech and hearing impaired assistance (TDD/TTY), please call (800) 221-6915, Monday through Friday, 8:30 a.m. to 5:00 p.m. Eastern Time. ♦

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The High Cost of Going Out of Network

The California HealthCare Foundation, an independent philanthropic organization that offers information about health insurance issues to small business owners, observes that today, “just about all health coverage plans are some type of ‘managed care’ plan.” In simple terms, they are saying that health insurance premiums and reimbursements are built around service contracts with medical providers. Insurers don’t pay on a fee-for-service basis as they did in days of yore, they buy these services through various discounted arrangements that save them money, and you as a subscriber share in these savings.

For preferred provider organizations (PPOs) such as ProtectPlus and its contracted medical services provider Anthem Blue Cross, these financial arrangements define their provider networks. In essence, Blue Cross and ProtectPlus buy services in bulk and pay proportionately lower prices for hospital and medical services. The flip

side is evident when you go outside your insurer’s provider network and find that you owe an amount much higher than you expected. In such an instance, you are no longer getting a pre-arranged discount but paying full retail price, or in all probability an inflated price because the provider is trying to make back some of what it gave away in discounts to Medicare and the insurance companies that make up its largest accounts.

Here’s a generic example. Let’s say you need hospital care. You go to an in-network hospital and the hospital’s bill is \$10,500. However, after being discounted down to a pre-arranged amount by your insurer, the billed cost is \$6,500. Your insurance company pays 80 percent, which comes out to \$5,200, leaving you with a bill for the remaining 20 percent, or \$1,300.

If, instead, you had gone to an out-of-network hospital for the same procedure, the financial picture is far different. Because

your insurance plan has negotiated a cost of \$6,500 with its network providers, it will pay no more to an out-of-network provider. In fact, most insurance plans pay a lower percentage for out-of-network services. So for example, your insurer may only pay 50 percent of its in-network contracted amount to out-of-network providers. Based on the \$6,500 it has negotiated with other providers in your area for the services you received, your insurance plan will pay 50 percent of the \$6,500, or \$3,250, leaving you to pay the \$7,250 difference between the \$10,500 the hospital charged and the \$3,250, your insurance plan paid.

The lesson is dramatic and clear. When you go out of network your out-of-pocket costs are going to increase immensely. Unless you are dealing with a life-threatening emergency, take the time to locate in-network hospitals and medical services. Remember, it is your responsibility to be sure your providers are in-network. ♦

Trust Scores B++

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assembled records accounted for every penny of claims, provided details of each plan design and how it evolved, and provided complete financial data on investments and capitalization. As part of the rating process Best interviewed the Trust’s actuary and its vendors, examined its risk management procedures, and looked into the background of the trustees.

Once initial fact-finding was completed, Trust representatives flew to New Jersey for a full-day, face-to-face interview with Best staff. Executive director Susan Young, John Phillips (trustee and former executive director), and Gary Barnhart (senior vice presi-

dent for Marsh Affinity Group Services, the plan administrator) met with Best for a full uninterrupted day answering questions and providing further background.

While the entire application process was grueling, the end result has been both gratifying and helpful to the entire program. The high A.M. Best rating offers members the assurance of an outside evaluation of the plan’s stability. At the same time it will attract brokers who can help grow the program. With more members comes greater buying power, a lower percentage of claims through new younger members, and lower costs.

The positive results also mark a new beginning. Because A.M. Best provides an annual rating, Trust staff is already gearing up for next year’s review. And though the

process will not be as laborious—having established the firm’s history Best will only be examining the previous year’s results—the Trust will be on the line to continue building on its solid financial footing and history of exceptional service. ♦

Correction

In the Spring 2008 issue of CPA Focus, the article titled “Medicare Rules You Need to Know” contained a reference to Medicare Part D where the correct Medicare program is Part B. The sentence should read: “While examining your options, keep in mind that you can’t enroll in a Medigap policy if you don’t enroll in Part B, but you can enroll in Part B without having a Medigap plan.” ♦

CalCPA-Endorsed Plans

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

Individual Plans

- Individual Term Life Coverage
- Individual Personal Accident Protection

Employer Group Plans

Information and premium rates for Employer Group Plans are available online at 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

More information is available at www.camico.com

- CAMICO

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No. of Professionals in Firm _____

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California Society of CPAs
1235 Radio Road
Redwood City, CA 94065-1217**

Or fax this form to:

(650) 802-2249

Tom Kowalski Joins ProtectPlus as Sales Manager

The Group Insurance Trust recently appointed Tom Kowalski to the newly created position of sales manager. A San Francisco native and long-time Burlingame resident, Kowalski has been employed in the insurance industry for more than 30 years. His most recent position was at BenefitMall, a general agency, where he served as a broker sales executive working with more than 1,100 agents. While there, he represented association plans, an experience that has sharpened his awareness of the needs of individual members and led him “to appreciate all the more the ProtectPlus motto, by CPAs for CPAs.”

Tom is now working out of the ProtectPlus office, calling on CalCPA member firms, telling brokers about the plan, and building the plan’s relationship to the Word & Brown general insurance agency. Member firms should certainly take advantage of his expertise. He will be happy to look at their offerings, make sure they are getting the right benefits at the right price, and work up a quote where appropriate. He is also enthusiastic about educating firms already working with brokers about plan options and connecting their brokers to Word & Brown so they can offer the plan to their CalCPA-member firm clients.

Regarding ProtectPlus enrollment, he observes with pleasure that 18 new groups have signed up since January and ten in the last two months, including two large groups. Nevertheless, he sees the opportunity for tremendous growth in the ProtectPlus plans. And with more than 40,000 licensed CPAs in California, he is optimistic about seeing CalCPA membership grow as a result of the ProtectPlus health plans. ♦



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