

Brooklyn HealthWorks 2012 Sales Information



Overview of 2012 Changes

- New staff person joins Brooklyn HealthWorks
 - Welcome Lindsay Baer!
- Prescription drug benefit is now unlimited
- Only two high-deductible plans available on new business
 - Changes to Rx allowed upon renewal
- Similar high deductible restrictions on renewals
- 10% rate increase on medical plans
- For groups enrolling prior to Nov. 2009, subsidy amount changing to 15% (lower percentage but higher dollar amounts)
- 0% rate increase on dental/vision and life/dbl plans
- You can begin enrolling eligible individuals & sole props as of 1-1-12
 - Commissions paid only on sole prop business
 - DMO dental/vision plan available for both individuals and sole props
- No changes to commission structure across all lines of business



Talking Points for Selling HealthWorks

- Unlike Healthy NY, we have no employer contribution requirement
 - This flexibility makes it easier for employers to offer coverage to all employees, including part-time workers on payroll
- We allow legitimate 1099/independent contract employees to enroll
 - Note that we conduct annual compliance reviews on 1099 workers
- When you add in the average monthly deductible amount (\$100 for individuals and \$200 for families), our monthly rates are still well below most other small group plans in the Brooklyn market
- GHI has one of the largest tri-state provider networks
 - Qualcare in NJ and Multiplan in CT
- No referrals required to see network providers
- Dental/vision life/dbl plan options available for groups enrolling as few as 1 employee
 - No additional underwriting required
 - One monthly invoice each month (ancillary charges added to medical bill)
- Discounts available on state mandatory disability employee benefits
- 24/7 online account maintenance system for brokers and clients
- Exceptional broker and client support



Brooklyn HealthWorks New Business Medical Plan Options and Rates – 2012

Plan Type (Non-GF)	Individual	Ind/Child(ren)	2 Adults	Family
“Total” HDHP w/Rx	\$282.54	\$536.81	\$621.56	\$833.43
“Total” HDHP without Rx	\$227.74	\$432.71	\$501.04	\$671.86

Note: Groups mailed invoices will incur a \$2.00 fee; e-mailed invoices are free.



Our 2012 rates are still competitive—even after accounting for annual deductible

ADDING IN AVERAGE MONTHLY DEDUCTIBLE AMOUNT (\$100 indiv and \$200 family)

Plan Type (Non-GF)	Individual	Ind/Child(ren)	2 Adults	Family
“Total” HDHP w/Rx	\$382.54 <i>(inc. avg. monthly deductible-\$100)</i>	\$736.81 <i>(inc. avg. monthly deductible-\$200)</i>	\$821.56 <i>(inc. avg. monthly deductible-\$200)</i>	\$1,033.43 <i>(inc. avg. monthly deductible-\$200)</i>
“Total” HDHP without Rx	\$327.74 <i>(inc. avg. monthly deductible-\$200)</i>	\$632.71 <i>(inc. avg. monthly deductible-\$200)</i>	\$701.04 <i>(inc. avg. monthly deductible-\$200)</i>	\$871.86 <i>(inc. avg. monthly deductible-\$200)</i>

Note: Groups mailed invoices will incur a \$2.00 fee; e-mailed invoices are free.



Cost Sharing Requirements for Brooklyn HealthWorks High Deductible Plan Options (For Plan Year 2012)

Annual Plan Deductible	\$1,200 Individual
	\$2,400 Family
Annual Out-of-Pocket Maximum	\$6,050 Individual
	\$12,100 Family

Note: Regular co-payments apply after deductible is met up to these annual maximum levels.



High Deductible Plan Highlights

- Deductible does not include:
 - Well-baby and well-child care (up to age of 19), including immunizations
 - Adult preventative services (including a physical once every 3 years, mammography, pap smear, prostate screening exam and immunizations)
 - Pre-natal care (\$10 co-pay still applies)
- Family deductible applies if the policy covers more than one person
- Family deductible may be satisfied by one individual family member or by expenses incurred by various family members
- Entire plan year deductible must be satisfied before services will be covered for any member of the family
- Brooklyn HealthWorks HDHP may be established with health savings accounts (HSAs)
- Providers must submit claims to GHI in order for subscriber payments to be applied towards the annual deductible



Health Savings Accounts FAQs

- Who can establish an HSA?
 - Adult enrolled in a qualified high deductible plan
- Who owns an HSA account?
 - Individual employee owns HSA account
- Who can contribute to an HSA?
 - Individual employee, employer, friends, family members
- How much can be contributed each year?
 - For 2012 you can contribute up to \$3,100 for single coverage and \$6,250 for family coverage
- What are the tax advantages of an HSA?
 - Employer contributions are not taxed and earnings grow interest free
- How is an HSA used?
 - Funds in an HSA may be used for any “qualified medical expense”, including services under the deductible and excluded Brooklyn HealthWorks benefits



Health Savings Accounts FAQs

- What is the penalty for using HSA funds for non-medical expenses before age 65?
 - There is a 20% penalty for using HSA funds for non-medical expenses before age 65
- Should the HSA account holder keep receipts?
 - Yes!
- How can you open an HSA?
 - Must be opened with a bank or other financial institution
- What annual tax reporting obligations are there?
 - You will receive Form 1099 SA from your HSA bank or financial institution
 - Must file Form 8889 as part of either Form 1040 or Form 1040NR
- Where can I get more information on HSAs?
 - Call Isabella Masters at TD Bank at 718-630-9963
 - Go to www.irs.gov or www.treas.gov



Dental/Vision Plan Features

- Bundled dental/vision plans
- Two plan options: Guardian DMO and PPO
- No separate underwriting
- Employees at a Brooklyn HealthWorks client not on medical may also enroll
 - Submit NYS-45 with enrollment form
- Must enroll for a minimum of 12 months
 - Changes (including dropping coverage) allowed only during open enrollment
- Groups billed on same invoice as medical
- Enhanced PPO benefits:
 - No deductible charged for in-network preventative care
 - 6 month waiting period on major services
- Enhanced DMO benefits:
 - \$50 co-pay for additional cleanings (beyond 6 month cycle)
 - Bleaching and vizilite (oral cancer screening) available for \$5 co-pay plus discount
- Plan policies available online at www.brooklynhealthworks.com
- Use group application at original enrollment
- Use Guardian transaction form for employee-level changes and when the medical tier and dental/vision tiers are different
- 7% commission paid by Brooklyn HealthWorks



Guardian Bundled Term Life, AD&D, and LT Disability Plan

- Two available options (Bronze & Gold)
 - Groups must pick one plan for all employees
- Voluntary option for full-time employees (no dependents may enroll)
 - Full-time 1099 workers may also enroll
 - Each enrolling employee must complete new Guardian/Brooklyn HealthWorks transaction form (must pick 2 beneficiaries and 2 contingent beneficiaries at time of application)
 - Employees not enrolling at original application must provide proof of insurability to apply at a later date
- Terminated employees may convert to a permanent whole life policy
 - May convert to an individual term policy for up to one year
 - Conversion must take place within 30 Days
- Groups may sign up at any time throughout the year
 - Enrollment deadline: 20th of the month
 - Submit group application to Brooklyn Chamber office
- Groups billed on same invoice as medical
- 13% commission paid by Brooklyn HealthWorks



Guardian Bundled Term Life, AD&D, and LT Disability Plans

Basic Protection Benefit Amounts and 2012 Monthly Premiums

Guardian Plan	Term-Life Benefit	AD&D Benefit	LT Disability (Max Monthly Benefit)	Monthly Premium (by Age Band)	
				Age	Amount
Bronze	\$25,000	\$75,000	\$1,000	18-39	\$10.83
				40-54	\$21.67
				55+	\$43.33
Gold	\$50,000	\$100,000	\$1,500	18-39	\$19.50
				40-54	\$39.00
				55+	\$78.00



Guardian State-mandated ST Disability Plans (Regular and Enhanced)

- Offered in partnership with Arista Investors Corp.
- Discounts available for groups with other Brooklyn HealthWorks Guardian plans (dental/vision or life/ad&d/lt-disability)
- Applications can be submitted on any day of the month and can be back-dated up to 30 days
 - Submit group application to Brooklyn Chamber office
- Guardian will bill groups quarterly
- 20% scaled broker commissions
 - Arista pays commissions as premiums are paid
- 1099 employees/independent contractors ineligible for coverage



Guardian State-mandated ST Disability Plans (REGULAR—Groups Under 50)

- Benefit: 50% of salary (based on last 8 weeks) to a maximum of \$170 per week, beginning on the eighth consecutive day of disability

	Monthly (payable quarterly)		Annual (payable in advance)	
Gender	Stand-Alone	With Other Brooklyn HealthWorks Guardian Plan	Stand-Alone	With Other Brooklyn HealthWorks Guardian Plan
Male	\$2.60	\$2.30	\$28.21	\$24.61
Female	\$5.75	\$5.00	\$61.27	\$53.48



Guardian State-mandated ST Disability Plans (ENHANCED—Groups Under 50)

	Standard DBL	Enhanced DBL	
Eligible Groups	Any size group	Less than 50 employees	50+ employees
Benefit Percent	50% of employee's salary	50% or 60% of employee's salary	50%, 60%, or 66 2/3% of employee's salary
Benefit Maximum	Up to \$170 per week	Up to \$700 per week (Up to \$500 per week for 2-9 employees)	Up to \$750 per week
Benefit Duration	Up to 26 weeks	Up to 26 weeks	Up to 26 or 52 weeks
Benefit Elimination	Benefits begin on the 8 th day of disability		



Guardian State-mandated ST Disability Plans (ENHANCED-Groups Under 50)

	Monthly		Annual	
	Stand-Alone	With Other Brooklyn HealthWorks Guardian Plan	Stand-Alone	With Other Brooklyn HealthWorks Guardian Plan
50% of salary up to \$250/week				
Male	\$3.49	\$3.14	\$37.80	\$33.72
Female	\$7.73	\$6.88	\$82.68	\$73.92
50% of salary up to \$500/week				
Male	\$6.26	\$5.77	\$67.80	\$62.28
Female	\$13.90	\$12.76	\$149.28	\$137.52
50% of salary up to \$700/week				
Male	\$8.48	\$7.87	\$91.80	\$85.08
Female	\$18.84	\$17.46	\$202.56	\$188.40



Monthly Renewals

- Brokers are copied on renewal information sent to groups
- Help us obtain completed renewal forms 30 days before annual anniversary
 - To prevent loss of commissions and group terminations, please submit renewals no later than 30 days before annual anniversary
- Reminders:
 - If a group enrolled in a HDHP in 2011, they may only renew into a HDHP in 2012.
 - Any new group enrolling in a HDHP in 2012 may only renew to a HDHP in 2013.
 - Open enrollment is the only time to add dental/vision or to make coverage changes (including dropping dental/vision coverage)



Documentation Requirements

Employment Classification	Employment Status Documentation	Current Income Documentation
<ul style="list-style-type: none"> •Regular Employees 	<ul style="list-style-type: none"> •Employee names on most recent NYS-45 	<ul style="list-style-type: none"> •Wages listed on most recent NYS-45
<ul style="list-style-type: none"> •New Employees 	<ul style="list-style-type: none"> •W-4 (updated NYS-45 may be requested in 90 days) 	<ul style="list-style-type: none"> •Payroll record •Detailed paystub
<ul style="list-style-type: none"> •1099 Employees 	<ul style="list-style-type: none"> •Contract/work agreement documenting: 1) work activities, deliverables, etc., 2) approx. hours per week—if applicable, and 3) compensation arrangement 	<ul style="list-style-type: none"> •IRS Form 1040 w/ Schedule C •IRS Form 1099-MISC •Company check made out to independent contractor
<ul style="list-style-type: none"> •Partnership •Limited Liability Partnership 	<ul style="list-style-type: none"> •Partnership Agreement •Filed Assumed Name Certificate •Filed Certificate of Organization •Filed Business License 	<ul style="list-style-type: none"> •IRS Form 1065 w/ Schedule K-1(s)-totaling 100% of partners •IRS Form 1040 SE •IRS Form 1040 ES
<ul style="list-style-type: none"> •Limited Liability Company (operating as a corporation) •C-Corporation •Personal Service Corporation •S-Corporation 	<ul style="list-style-type: none"> •Filed Assumed Name Certificate •Articles of Incorporation <u>or</u> Statement by Domestic Stock •Filed Certification of Qualification 	<ul style="list-style-type: none"> •IRS Forms 1120, 1120 A or 1120 W (for C-Corp & Personal Service Corp) •IRS Form 1120 S w/ Schedule K-1(s) or 1040 ES (for S-Corp) •IRS Form 8832 (for LLC's treated as a Corporation)
<p><u>New Business Requirements:</u></p>	<ul style="list-style-type: none"> •IRS Employer Identification Number-EIN Letter •Articles of Incorporation/Organization OR Certificate of Organization •Filing Receipt from the New York State Department of State •Partnership Agreement/Distribution of Shareholder Ownership (if available) •Attorney or CPA attestation (Letter of Certification-LOC) required to document income for owners/partners 	
<p><u>Underwriting Notes:</u></p>	<ul style="list-style-type: none"> •LOC may be requested to verify the start of a business, income and hours worked for new employees, tax filings, etc. •Underwriting policies, requirements and guidelines are subject to change •Applications can be denied if tax documentation is incomplete or insufficient 	

Don't Forget to Log Into Our Online Account Management System

- You can do the following using our online account management system:
 - Print out a missing group invoice
 - Add/terminate employees
 - Always obtain requests in writing and save them in your files
 - Find a subscriber's GHI ID number
 - Identify groups who have a past-due balance
 - Identify a group's updated contact information
 - Determine important group information, such as:
 - New hire eligibility policy
 - Ability to enroll part-time employees and dependents
 - Allowed coverage classes
 - Renewal month
 - **NEW: Print out monthly commission statements**
 - E-mail us for your secure username and password



Commission Payments

- Checks mailed between 17th-20th of each month
 - Allow time for postal delivery
- ACH payments made around 16th of each month
 - Available for the December 2011 commission cycle!
 - ACH payment request forms available online at www.brooklynhealthworks.com (under forms/applications)
- Online commission statements available by January 2012
 - E-mail us if you need your online account information
 - Whether you choose ACH payments or not, you may have your commission statements e-mailed or mailed
- Questions about commissions should be directed to:
 - bhwxcommissions@service.mywsi.com
 - 866-260-2015
- To prevent delays in commission payments, remember to send us your updated broker license upon renewal



New Brooklyn Chamber Insurance Services Website and Broker Partnerships

- Around January 1, we plan to launch a new insurance services website, containing the following elements:
 - Improved Brooklyn HealthWorks portal
 - Other featured health plan options
 - Other insurance service offerings
 - Online intake and referral form
 - Initially sales leads will be sent to the most appropriate Chamber member
 - Later sales leads will be sent to Chamber members with formalized partnership agreements



Contact Information

- Website: www.brooklynhealthworks.com
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