



# **PENNSYLVANIA**

---

# **HEALTH UNDERWRITER**

THE OFFICIAL PUBLICATION OF THE PENNSYLVANIA ASSOCIATION OF HEALTH UNDERWRITERS

JANUARY 2006

**2005 - A Year In Review**

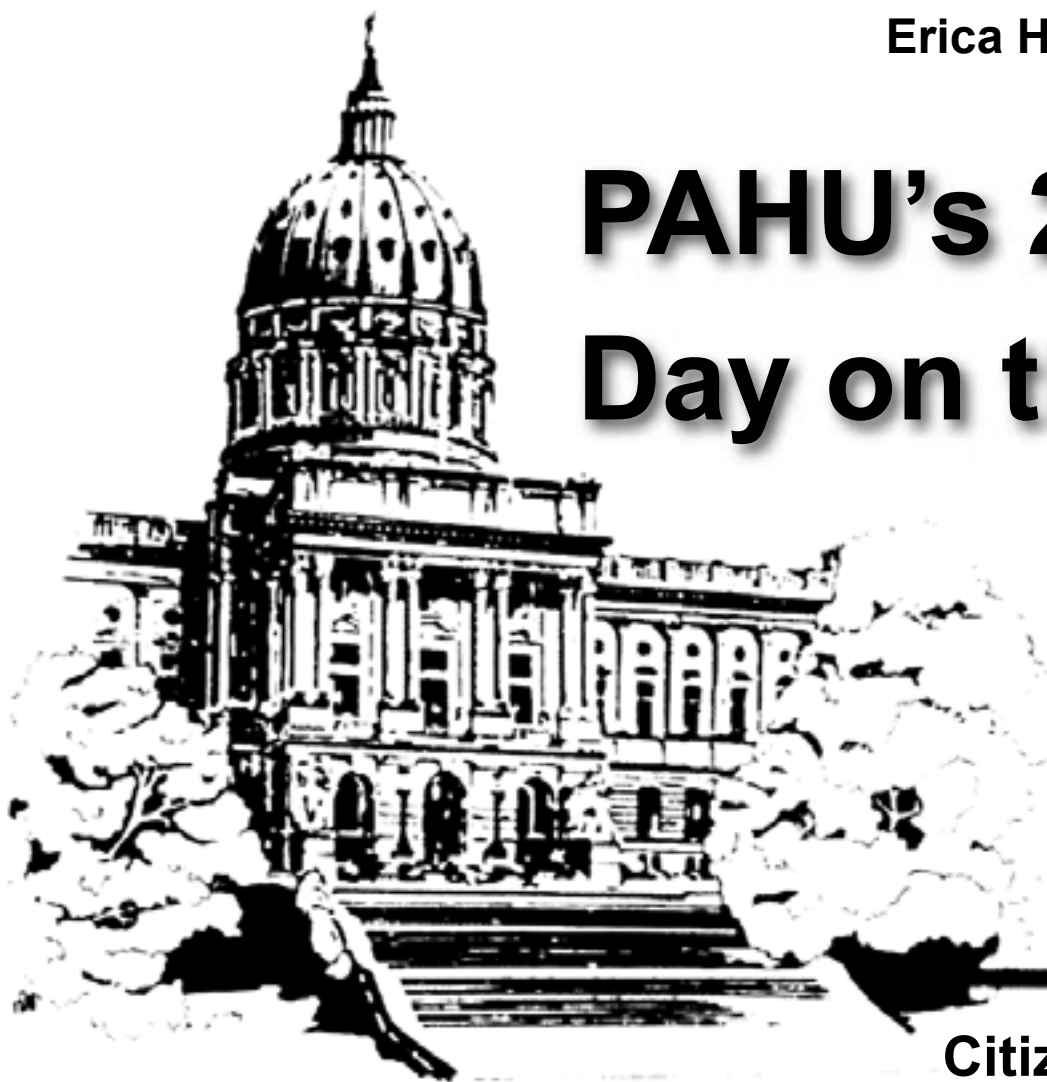
By PAHU President

**Erica Hain**



## **PAHU's 2006**

## **Day on the Hill**



February 15, 2006

**Citizen Lobbyists**

### **IN THIS ISSUE:**

- Ten Effective Citizen Lobbying Tips
- Industry Issues – Legislative Update
- Taking Time To Make A Difference
- HUPAC Contribution Report
- NAHU's Capitol Conference 2006
- Washington Update and more...



c/o Mark L. Shaffer, RHU – Editor  
 P.O. Box 355, Apollo, PA 15613  
 Phone: (724) 478-2411 · Fax: (724) 478-1688  
 Email: mshaffer@pahu.org

**PAHU OFFICIAL FAMILY 2005-2006**

**PAHU EXECUTIVE COMMITTEE**

Erica R. Hain - President  
 (717) 671-5833 · erica.hain@emersonreid.com  
 Stewart Anmuth - President-Elect  
 (484) 321-5856 · stewart@ktbenefits.com  
 Charles A. Neiman - Immediate Past President  
 (717) 843-0521 · can@gte.net  
 Robert A. Ziff - Treasurer  
 (215) 428-9500 · rziff@avanti.cc  
 Susan Lebo - Secretary  
 (717) 986-1744 · slebo@stratplan.biz

**PAHU STATE TRUSTEES**

Bill Daggett, Jr.  
 (484) 321-5800 · bill@ktbenefits.com  
 Mike Guscott  
 (484) 321-5800 · mikeg@ktbenefits.com  
 Ron Hoffman, RHU, LUTCF, CSA  
 (610) 865-7752 · ronhoffman@prodigy.net  
 Thomas J. Link  
 (814) 944-8849 x303 · tlink@thehancockgroup.com  
 David Scott  
 (412) 835-9100 · dscott@armsins.com  
 Mark L. Shaffer, RHU  
 (724) 478-2411 · mshaffer@benefitplans.com

**CHAPTER PRESIDENTS**

David Cagliola - GPAHU President  
 (484) 323-3100 · dave.cagliola@radnorbenefits.com  
 Donald L. Balla, Jr. – Pgh-AHU President  
 (412) 261-2222 · don@simpson-mccrady.com  
 William E. Carlton - CPAHU President  
 (717) 671-5833 x13001 · Bill.carlton@emersonreid.com  
 Sallie Humphries, HIA - NEPAHU President  
 484-432-6351 · sghumphries@coloniallife.com  
 Robert E. Donlan - HAHU Acting President  
 (814) 944-8849 · rdonlan@thehancockgroup.com  
 Michele B. Bloom - NWPAHU President  
 (814) 452-4085 · shelly.bloom@LMCOErie.com

**PAHU COMMITTEE CHAIRPERSONS**

Douglas F. Moore, RHU - Membership Chair  
 (412) 734-4900 x276 · dmoore@seubert.com  
 William A. Raab - Legislative Chair  
 (302) 797-5256 · wraab@comcast.net  
 Michael A. Guscott - Retention Chair  
 (484) 321-5895 · mikeg@ktbenefits.com  
 Robert A. Dickman - Education Chair  
 (717) 394-7156 · bob@tpmins.com  
 Vince Phillips - Media Relations Chair  
 (717) 728-1217 · xenobun@aol.com  
 Shawn Orenstein - PAHU-PAC Chair  
 (610) 971-2867 · shawn@ktbenefits.com  
 Marcella L. Chan – Awards Chair  
 (412) 747-7539 marcella.chan@cigna.com

# Contents

Message From the President ..... 2  
 From the Editor ..... 4  
 Is Wal-Mart Coming to Our Neighborhood? ..... 6-7  
 Legislative Resources: Making a Difference in Your Industry ..... 8-10  
 Taking the Time to Make the Difference ..... 11-12  
 A Buck a Day Keeps the Politicians at Bay! ..... 13-14  
 NAHU Membership Application ..... 15  
 PAHU Featured Chapter: Pittsburgh AHU ..... 16-17  
 Welcome New PAHU Members! ..... 17  
 CPAHU C.E. Seminar: Supplemental Insurance  
 Products and Flexible Benefits Plans ..... 18  
 Health Care Spending Report Demonstrates  
 Value of Cost Containment Techniques ..... 19  
 NAHU Washington Update ..... 19-20  
 TIDBITS: A Summary of News & Resources ..... 21  
 GPAHU Winter C.E. Event ..... 22  
 NAHU’s 16th Annual Capitol Conference ..... 23-24



**PAHU MISSION STATEMENT**

To unify health insurance professionals of Pennsylvania for the purpose of educating our members and the public.

To preserve and perpetuate professional health insurance delivery while being an advocate for the consumer in the public and private sectors.

[www.pahu.org](http://www.pahu.org)

*America’s Benefit Specialists*

A Publication of the  
**PENNSYLVANIA ASSOCIATION  
 OF HEALTH UNDERWRITERS**  
 Published monthly by  
**cbm & Associates, Inc.**

1601 Penn Ave., Ste. 613, Pittsburgh, PA 15221  
 Carolyne B. May ..... President  
 Bud Cook ..... Vice President  
 Christopher Hill ..... Managing Editor  
 Brad A. Basinski ..... Assistant Editor  
 Tim E. Neifert ..... eMedia Coordinator  
 Lisa V. Bradley ..... Marketing Manager  
 James H. Farbarik ..... Print Coordinator

FOR ADVERTISING RATES CALL:  
 (800) 289-1226 • (412) 243-6010  
 Fax (412) 243-6104  
<http://www.cbmassoc.com>  
 e-mail: [info@cbmassoc.com](mailto:info@cbmassoc.com)  
 © 2006 cbm & Associates, Inc.



# Message From the President

*Erica Hain, PAHU President*

## Raising the Bar in 2006

This is the first issue of the New Year, and I wanted to highlight a few of the many things PAHU is doing to prepare for 2006.

The PAHU Board has developed an aggressive membership campaign. Our goal is to increase our state membership to 680 members by July 2006. Currently we have 584 members. We only need 100 more members to meet this goal. That's less than 2 members per month per chapter. You can do it! Meeting this goal adds strength and credibility to all that we do on a state level as well as nationally at events such as our State "Day on the Hill" (February 15, 2006) and Capitol Conference in Washington D.C. (March 27-29, 2006).

Another item we are focused on is raising money for our Pennsylvania Political Action Committee (PAHU-PAC).

PAHU-PAC, established in April 2004, is registered with the Commonwealth of Pennsylvania. Since PAHU and similar organizations are prohibited from making political contributions, PAHU-PAC was created to allow member contributors to combine their financial support for a candidate to achieve maximum effect. Few other industries are as heavily regulated as the health insurance industry. Therefore, your success, and that of your clients, is directly dependent upon the actions of the Pennsylvania General Assembly. It is absolutely critical that we help those lawmakers who are willing to consider our point of view in support of the private sector. We want to be able to grab the attention of those lawmakers and other industry stakeholders.

*It is absolutely critical that we help those lawmakers who are willing to consider our point of view in support of the private sector.*

The amount of money a PAC has is public information. Every interested party knows how much or how little an organization's PAC has. PAHU's magic number is ten thousand dollars. Something to remember: A strong PAC represents a strong organization. It shows the determination of our members to make a difference.

Lastly, we are encouraging more members to attend National Conferences such as Capitol Conference in Washington D.C. (March 27-29, 2006) and the National Convention being held this year in San Francisco, CA (June 25-28, 2006). Last year in Washington, DC at the Capitol Conference, we had a record attendance for PAHU. Twenty-three members came and paid visits to their senators and congressmen and congresswomen. Some of these members were first-timers to Capitol Conference and experienced the excitement & energy that they'd heard so much about. And ask anyone how much fun we had in Miami, or how interesting the breakout sessions were.

Make 2006 the year you get involved. **Recruit a new member. Contribute to PAHU-PAC.** With all that is happening in Washington, as well as our own Capitol, **stay on top of legislative issues** for your sake as well as your clients.



**Gramm Leach Bliley  
&  
PA Customer Safeguarding  
Act**

**Get Compliant  
Stay Compliant**  
with these complex regulations

**Comply On-Demand® is the only  
product designed specifically for  
Insurance Producer Compliance**

**ComplianceAssurance**  
CORPORATION  
Making Compliance Simple™

622 2nd Ave.  
Pittsburgh, PA 15219  
1-877-690-6201  
www.complyfast.com

We  
want  
you to  
know

Aetna Small Business Solutions



## There's always room to grow your business.

Now Aetna gives you what you need to take your business to the next level—health insurance plans designed specifically for your small business clients, and support tools designed specifically for you. Our affordable options include Health, Prescription Drug, Dental, Disability and Group Life insurance plans. We also offer consumer-directed options, including HSAs. With our single source simplicity, easy installation, and co-op marketing program, you'll have everything you need to better serve your clients as you grow your business. To find out more, visit [aetna.com](http://aetna.com) or call your Aetna representative at 1-800-98-AETNA.

We want you to know<sup>SM</sup>



Health  
Dental  
Pharmacy  
Disability  
Long-Term Care  
Life

©2005 Aetna Inc. Plans are offered by **Aetna Life Insurance Company**. Insurance plans contain exclusions and limitations. Policy form numbers include GR-29 and GR-700-W.-200570

# From The Editor

By Mark L. Shaffer, RHU



Really! What does it take? A morning here, an hour there, or just a commitment to help -- to put some time back into an organization that works to protect your ability to earn a living. When compared to the grand scheme of things, it's very little time out of your day, week, or month. Being a member of a membership organization should be about more than just paying dues. Please don't misunderstand. We appreciate everyone who thinks enough about the Pennsylvania Association of Health Underwriters to support the organization by paying their dues. However, the organization is only as good as the people who are willing to step forward and make a commitment.

It's really about taking time to make a difference. Jeff DeMatteo, of the CPAHU chapter, sums it up in his article on page 11 of this issue when he says, *"Simply to have been given this great opportunity to represent my peers and to participate in the creation of laws which directly affect my own bottom line was an eye opening, motivating experience which has refueled my interest in selling insurance and in turn has made me better in all aspects of my business."*

Others will experience this epiphany at some point in their career. We understand, in the beginning, it's all about making money. At some point, however, those who are truly compas-

sionate about making the industry better than they found it will step forward.

This magazine issue is devoted to our annual State Day On The Hill event. It's an opportunity for the members of the chapters from Pittsburgh, Philadelphia, Allentown/Bethlehem, Altoona, and Erie, to meet with members of the Harrisburg chapter and make a difference. It's an opportunity -- just as you have opportunities in selling -- to sit down and talk with your legislators and senators to discuss the issues. And, while we have a very effective legislative committee in place that works in concert with PAHU's lobbyist, Vince Phillips, there isn't anything they can do that is as effective as you sitting down with your state representatives to discuss the issues as they affect you, their constituent.

So, as you peruse this issue, if you haven't already made the commitment, take a moment to complete the 2006 Day On The Hill registration form (*in the center insert of this issue*) or online at [www.pahu.org](http://www.pahu.org) to attend this increasingly important event. We'd love for you to JOIN US!

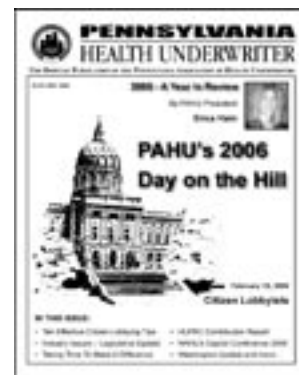


## JANUARY'S FEATURED CHAPTER



The Pittsburgh Association of Health Underwriters continues its success in 2006. See pages 16-17 for details.

## MEMBER FEEDBACK WELCOME



Mark L. Shaffer, RHU

P.O. Box 355, Apollo, PA 15613-0355

Phone (724) 478-2411 • Fax (724) 478-1688

E-mail [mshaffer@pahu.org](mailto:mshaffer@pahu.org)

For information on advertising support, contact  
cbm & Associates, Inc. at (800) 289-1226.

# *award-winning relationships*

## FINANCIAL STRENGTH

more than 1,000,000 insured employees  
more than 84,000 policyholders  
rated A- by A.M. Best Company  
rated A- by Standard & Poor's

## OUTSTANDING RELATIONSHIPS WITH INDEPENDENT BROKERS & AGENTS

Company of the Year 2000 (CIBGNY)  
Company of the Year 2003 (PIANY Long Island RAP)



### firstrehablife

The First Rehabilitation Life Insurance Company of America

☎ 800-365-4999  
516-829-8100

ⓘ [WWW.FIRSTREHAB.COM](http://WWW.FIRSTREHAB.COM)

*group products available in PA*

SHORT-TERM DISABILITY

VISION

DENTAL CARE

EXECUTIVE MEDICAL  
REIMBURSEMENT  
(THE 100% SOLUTION)

EXCESS MAJOR MEDICAL

*31 years • 16 states*

rated A- (excellent)  by A.M. Best Company





# Is Wal-Mart Coming to Our Neighborhood?

Vince Phillips, PAHU Lobbyist

The news making headlines recently involves a decision by the Maryland state legislature governing what the state's largest employer will be required to spend. Maryland lawmakers voted to over-ride a veto by Gov. Robert Erlich of a bill that will force Wal-Mart to fund health care benefits for their employees.

The new law will require companies with more than 10,000 Maryland employees to spend eight percent of their payroll on employee health insurance -- or contribute eight percent

to the state's Medicaid program. Proposals in New Hampshire and Rhode Island are reported to impose this health insurance mandate on companies with as few as 1,500 and 1,000 employees respectively.

National stakes are high because 30 other states, including Pennsylvania, are considering similar

legislation. Organized labor and single-payer health care advocates are trying to get states to force companies to cover their employees' health insurance costs and provide funding for state programs for the uninsured. Critics from the business community claim those disgruntled after losing the big national battle over government-run health insurance are aiming to get in through an innovative back door at the state level.

According to the National Federation of Independent Businesses (NFIB), legislation has already been introduced in PA. HB 1336 by Rep. Jake Wheatley (D-Phila.) requires the Department of Public Welfare to issue a report of employers with 20 or more workers who have employees that use state-run health insurance.

PAHU met with staff of the Senate Democratic Policy Committee in 2004 and 2005 regarding a proposal to force Wal-Mart to offer health insurance.

At that time, PAHU argued against the proposal, saying that the largest employers were self-insured and a legal requirement going through the Insurance Department would not be

applicable because of ERISA. After all, the Insurance Department is the state governmental entity that regulates health insurance. National advocates for this proposal sidestepped the insurance regulatory argument. Instead, they favored an employment practices jurisdiction or Medicaid funding as the regulatory area. They reasoned that just as employers are legally required to provide a safe work environment, they should be forced to provide or pay for health care.

Advocates for this (*employer legislation*) maintain that Wal-Mart established a worker system that forces people to go on Medicaid or (*in PA*) adultBasic, the government health plan for those without health insurance at income above Medicaid eligibility levels. They point to the recent decision in Philadelphia authorizing a class action lawsuit against Wal-Mart for forcing unpaid overtime as evidence that Wal-Mart's low prices and profitability come at the expense of its employees. They see legislation like Maryland's as remedying an abuse of corporate power. (*Naturally, Wal-Mart disagrees with these assertions.*)

## Consequences

Those attacking the Wal-Mart law have several lines of argument.

First, they allege that this is the latest front in organized labor's effort to revitalize its numbers after decades of dwindling membership and inability to organize the nation's largest employer.

Second, (*they suggest*) this is the camel with its nose under the tent. If this law spreads, it creates a stepping-stone to state employer mandates that will force businesses to provide health insurance coverage. If mandated, businesses would be forced to provide coverage and eat the cost, leading to loss of job growth and movement by businesses away from states where it costs too much to be in business. The nose in the tent analogy extends to a platform requiring Federal legislation to

**National stakes are high because 30 other states, including Pennsylvania, are considering similar legislation.**

**The third consequence is that well-intentioned public policy has consequences.**

make sure everyone has the same law to prevent employers' moves to states where labor costs are less.

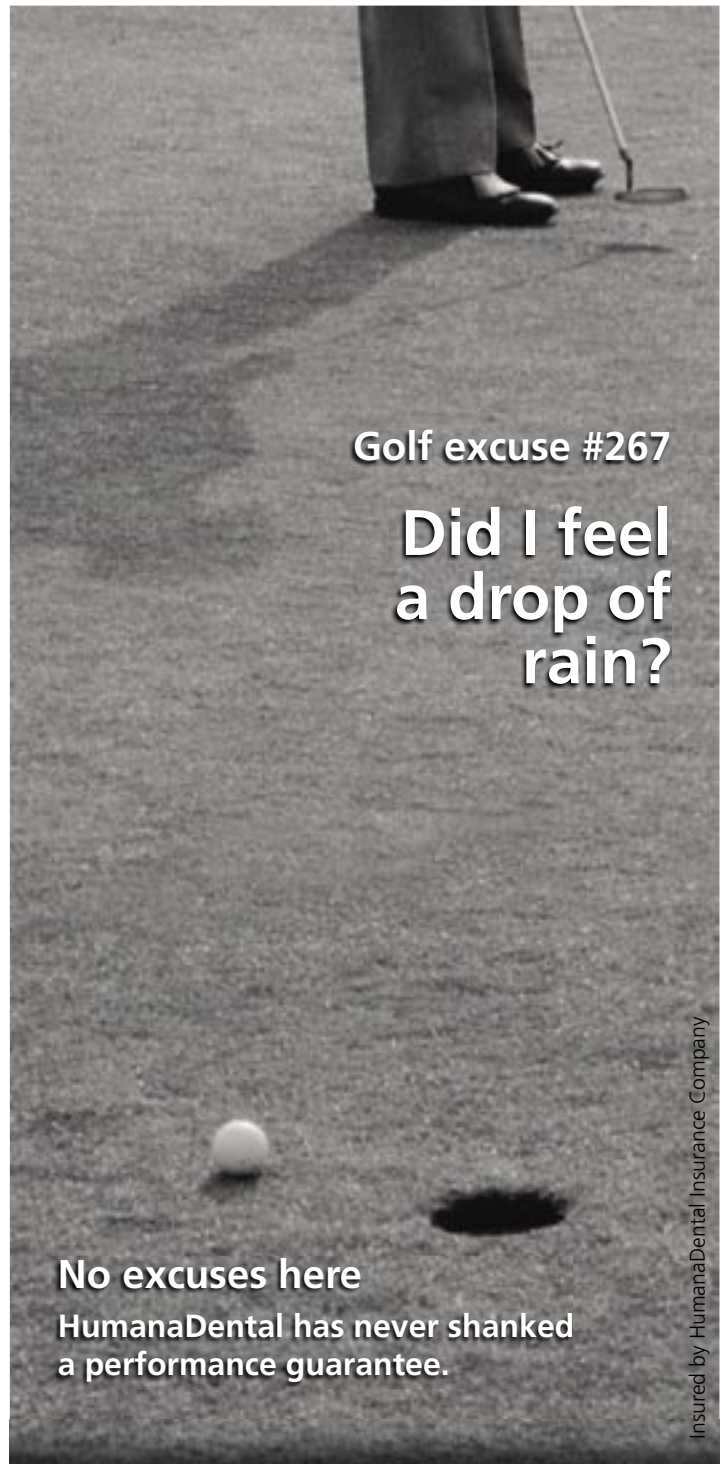
The third consequence is that well-intentioned public policy has consequences. If a business sees its labor costs increase dramatically, it makes business decisions, not based on a desire to shaft workers, but simply as a dollars argument of what it takes to keep the company profitable or even in business at all. Business would absolutely react to this type of law. One strategy for a large Maryland employer might be to shrink its workforce to 9,999 so as to avoid the threshold. Doing so would allow the retailer to stay in the state but would result in firings or layoffs, not a consequence desired by advocates. Maryland law advocates' response would be to lower the threshold to capture the same goal. So, what could the employer do next? It could abandon Maryland to others, or it could restructure so that there is no longer one-business entity in Maryland but several distinct business entities.

When an issue like this takes center stage, it may be important to question the assumptions.

Some things to weigh:

- Should government be able to dictate health coverage to employers, or should the free enterprise system dictate what a company does or does not do?
- Going beneath obvious areas of self-interest between labor and management, should health insurance be escalated into a working condition issue (such as state-mandated Workers Compensation) instead of a traditional area where the employer has discretion?
- Does the Wal-Mart issue answer the wrong question? Is the issue what employment practices an employer has, or is it what should be done to reduce the underlying costs that drive up premiums? (Would Wal-Mart allegedly resort to worker manipulation if the costs of health insurance were not so high?)
- Is this issue a stepping-stone to nationalizing health care more than it is now? Or,
- How will business clients be affected? Will businesses leave the state or adapt to the new paradigm? Will insurance producers be adversely affected or will they benefit from a guaranteed market? Given costs, will there even be a market if the public sector expands as the insurer of last resort?

Lots of questions... Health Underwriters would be well served to keep an eye on this issue and seriously think about assumptions and implications because, like it or not, Wal-Mart has come to our neighborhood.



Golf excuse #267

Did I feel  
a drop of  
rain?

No excuses here  
HumanaDental has never shanked  
a performance guarantee.

Insured by HumanaDental Insurance Company

Call your local HumanaDental sales  
representative at 1-877-768-4340.



**HUMANA  
DENTAL**

[www.humanadental.com](http://www.humanadental.com)



Humana is the Official Health  
Benefits company of the PGA TOUR.



## LEGISLATIVE RESOURCES:

# Making a Difference in Your Industry

*Erica Hain, PAHU President*

Past experience has shown that NAHU members tend to be more legislatively active than members of other industry associations. Our PAHU members are keenly aware of the importance of participating in the legislative process. For years we have worked together, as an industry, to educate legislators on the issues. The PAHU has enjoyed its share of success on many proposals that make it to the floor of the house or senate, and in preempting countless others that never see the light of day. It takes a commitment from our membership to support our efforts as an organization. Your NAHU membership provides you with the tools necessary for you to help our industry prosper. There are many new proposals expected in 2006 that could change the way we do business. Whether you have been legislatively active in the past, or just getting started, we want to remind you of the tremendous resources NAHU offers so that your voice -- with a little effort -- will be heard.

The PAHU State Day on the Hill is scheduled for February 15th. We ask each and every member to consider setting aside this special day, or at minimum, a morning in your schedule, to join us at the Capitol in Harrisburg. If your schedule does not permit you to take the time, we ask that you review the NAHU resources available below and participate throughout the year. Your message goes so much further when you personally deliver the message than it would when our state lobbyist, Vince Phillips, or I deliver it.

### Grassroots

The National Association of Health Underwriters (NAHU) represents the interests of 20,000 health insurance professionals. More importantly, our members serve the needs of more than 100 million Americans.

NAHU's strength in the health care reform debate is directly proportionate to our service to our clients. Our clients have come to know and respect our knowledge of health coverage issues and the complexities of health reform. Our relationship with individual consumers and employers is a powerful force which can turn the tide of the health care reform debate.

Coordinated grassroots advocacy will be the key to our continued success in the future. We must be able to mobilize people in every congressional district throughout the country to be effective. Every NAHU member must become politically active if we are to continue to succeed in the health care arena.

NAHU has provided the following tools and techniques that are necessary to effectively influence your elected officials through grassroots advocacy.

The future is yours to take! Be a leader! Take Action Now!

### Operation Shout!

A significant component of NAHU's legislative success is based on our ability to show legislators how important specific issues are to our members. In order to achieve these goals, NAHU relies on YOU to e-mail your federal and state legislators through **Operation Shout!** at <http://capwiz.com/nahu/home/>.

In addition to e-mailing elected officials, **Operation Shout!** also enables members to view political background information, links to federal and state-level government websites, media information, voting records, bill summaries, PAC details, election candidates and more! The following user's guide will help you navigate through **Operation Shout!**:

- *Operation Shout! User's Guide:*  
[www.nahu.org/government/Grassroots/Operation\\_Shout\\_04.pdf](http://www.nahu.org/government/Grassroots/Operation_Shout_04.pdf)
- *Are You Talking To Your Legislators?*  
Power Point Presentation at  
[www.nahu.org/government/Grassroots/Operation\\_Shout\\_Presentation.ppt](http://www.nahu.org/government/Grassroots/Operation_Shout_Presentation.ppt)

Train-the-trainer teleconferences and web seminars are also available for chapters upon request. Please contact Jennifer Hillert, Legislative Manager of Grassroots Initiatives, at [jhillert@nahu.org](mailto:jhillert@nahu.org) for more information.

## **In-District Meetings**

Even though a number of NAHU members descend on Capitol Hill during Capitol Conference to lobby on NAHU's key issues, it is essential for members to attend in-district meetings too.

The NAHU Government Affairs department will contact the state legislative chair or president to organize in-district meetings. Or, if you'd like to initiate one on your own and need some help getting started, let us know.

Scheduling meetings with your congressional representatives in your home district is the best way to make an impact on the health care reform debate.

Steps to ensure an effective meeting:

- Send a letter or e-mail requesting a meeting. Most members of Congress can be reached in their district office over Congressional recess and many are available on Fridays.
- Promptly follow-up your letter or e-mail with a telephone call to the member's district office. Ask to speak with the member's scheduler who handles district office appointments. You may be referred to the member's Washington,

DC office. If referred, the main number for the Capitol Hill switchboard is **(202) 224-3121**. The switchboard can transfer you to any House or Senate office. Members can also utilize Operation Shout! to locate their elected officials at <http://capwiz.com/nahu/dbq/officials/>.

- Invite colleagues and clients to attend the meeting. Hearing the same message, individually and collectively from business, community leaders and consumers makes this the best way to make an impact on a member's position on health care reform. NAHU may also contact you to attend a meeting we organize, or one organized through one of our coalition partners.
- In advance of the meeting, the group should meet to plan the discussion strategy. A lead person should be designated to deliver the key message you want to leave with the member.
- Your discussion with the member should be organized and focused on NAHU's principal issue(s). Ask directly for the member's help in supporting NAHU's position and try to get a clear sense of where the Member stands on NAHU's principal issues.

*continued on next page*



**Bill Niermann**  
Marketing Officer  
800-217-5746

[bill.niermann@companiongroup.com](mailto:bill.niermann@companiongroup.com)



# MAXIMIZE YOUR SALES SUCCESS!

Companion Life's Strong Product Portfolio and Direct Underwriter Access Will Help You Close More Sales!

*All Companion Sales in 2006 help you qualify for our 2007 Leaders Conference at the fabulous Fairmont Southampton Princess Resort, Bermuda!*

- *Group Life, STD, LTD and Dental*
- *Voluntary Life, STD, LTD and Dental*
- *Small Group Trust (2-9)*

**DIRECT PROPOSAL FAX HOTLINE  
1-800-836-5433**

- Leave behind NAHU handouts and information so that the office has your message in writing.

NAHU has prepared **issue summaries** on the issues we expect to come up during visits with your elected officials. These summaries (located at [www.nahu.org/government/issues/](http://www.nahu.org/government/issues/)) provide a concise description of the issue, NAHU's position, and talking points to most effectively convey NAHU's stance on these issues.

Additional materials can be obtained by contacting NAHU's Government Affairs department at [jhillert@nahu.org](mailto:jhillert@nahu.org).

- Every participant should immediately write an individual thank-you note to the member and any staff members present during the meeting. Be sure to express your appreciation to any of the member's staff who were involved in scheduling or facilitating the meeting.
- Promptly fill out an In-District Debriefing Form (located at [www.nahu.org/government/Grassroots/InDistrict\\_Debriefing\\_Form.doc](http://www.nahu.org/government/Grassroots/InDistrict_Debriefing_Form.doc)) and send it via fax and/or e-mail to

NAHU's Government Affairs staff at **(703) 841-7797** or [jhillert@nahu.org](mailto:jhillert@nahu.org). Reporting grassroots activity to NAHU is essential for NAHU to measure problems, concerns and support.

## **Grasstops**

Sometimes NAHU needs to act quickly on a particular piece of legislation and needs members to make personal phone calls to their elected officials. NAHU needs to contact members who "really know" their elected officials at a moment's notice. If you are related to, friends with, or have a personal connection with a member of Congress, governor, state legislator, or insurance commissioner, NAHU needs to know! Please fill out NAHU's Grasstops form and send it via fax and/or e-mail to NAHU's Government Affairs staff at (703) 841-7797 or [jhillert@nahu.org](mailto:jhillert@nahu.org). Coordinated grassroots/grasstops advocacy will be the key to NAHU's continued success in the future.

- *Grasstops Form:*  
[www.nahu.org/government/Grassroots/Grasstops\\_Form.doc](http://www.nahu.org/government/Grassroots/Grasstops_Form.doc)

## **Adopt-A-Candidate**

NAHU's "Adopt-A-Candidate" program is designed to provide members the tools needed to become active in the political campaign arena in order to further NAHU's philosophy and agenda.

Therefore, candidates running for an elected office are potential resources for disseminating NAHU's message to the American public. By presenting NAHU's policy positions and plans, NAHU will assist in shaping candidates' health care reform positions. Consequently, NAHU's message will spread throughout local communities, as candidates speak to community and business leaders. Furthermore, if the candidate is elected into office, NAHU-supported health care reform principles have the potential to be passed into law.


- Adopt-A-Candidate Program  
[www.nahu.org/government/Grassroots/Adopt\\_A\\_Candidate.doc](http://www.nahu.org/government/Grassroots/Adopt_A_Candidate.doc)

For more information, please contact [jhillert@nahu.org](mailto:jhillert@nahu.org), Legislative Manager of Grassroots Initiatives, or Vince Phillips, PAHU Lobbyist.



# **ONLINE**

## **HIPAA Privacy Requirements Compliance Guide**



Presented by the NAHU Education Foundation, this is the only guide written specifically for health insurance producers. The guide provides a complete overview of the new requirements, sample notices, templates and more.

FREE TO NAHU MEMBERS ON THE NAHU WEBSITE AT:  
[www.nahu.org/publications/HIPAA\\_Guide/index.htm](http://www.nahu.org/publications/HIPAA_Guide/index.htm)



# Taking the Time to Make the Difference

*Jeffrey DeMatteo, CPAHU Legislative Chair*

All right, I confess. For the longest time I did virtually nothing to support the Health Insurance Industry. It's not that I didn't think that I should or that it wasn't important, I just never seemed to have the time. All I wanted was to be left alone to sell insurance, build my business and make as much money as I could. Even if I were invited to a training seminar, I would only go if it were absolutely necessary.

Over time, as my business continued to grow, I started to realize that things weren't getting any easier, and that if I was going to continue to devote my time and hard earned money into building an insurance business in Central PA, I had better start giving something back to the cause and take an active interest in making sure I will be in business 20 years from now.

I had known about the CPAHU for a while, and not too long ago I had finally decided it was time to make the first move in my newfound commitment to the industry, so I joined. I didn't want to just simply join, because that just wouldn't be enough to appease my guilt, so along with my application was my request to be part of the Legislative Committee. What a breeze that was... attend a meeting once a month and eat some lunch. What was I worried about? I could do that.

Well, to make a long story short, through a series of events, I quickly became the Legislative Chair and found myself asking the most sobering question of all... "What the heck have I gotten myself into now?" All I could think about was the time commitment and whether or not I was going to be able

*continued on next page*

## What Companion Life can offer you!

Companion Life is proud to offer a strong product mix that includes innovative group and voluntary products for employers of all sizes. Companion Life gladly offers group life, disability and dental coverage to groups with as few as two employees, and ALL Companion Life products may be sold on a stand-alone basis.

Companion Life products offer many outstanding features, such as the freedom to select any dentist with all of our dental plans. Pick the simple solution and sign up for Companion Life products today! Just call Bob Stewart at Laurel Highlands Benefits and he'll take care of the rest!

- ⇒ Group Life and AD&D ⇒ Group Dental ⇒ Short Term Disability
- ⇒ Long Term Disability ⇒ Voluntary Products

**Bob Stewart**  
 Laurel Highlands Benefits  
 231 West Pittsburgh Street  
 Greensburg, PA 15601  
**1-800-354-5191**  
 (724) 836-4727 fax  
 E-mail: LHBenefits@msn.com



Laurel Highlands Benefits is an approved general agent for Companion Life.

**Pennsylvania Association of Health Underwriters  
POLITICAL ACTION COMMITTEE**



## **Another Advocacy Tool**

The purpose of the Pennsylvania Association of Health Underwriters Political Action Committee (PAHU-PAC) is to support Pennsylvania state legislators and legislative candidates who identify with and support the aims of our Association. Its purpose is not to “buy” votes. Rather, it is designed to cultivate a health insurance friendly legislature by assisting worthy incumbents and candidates.

### **HOW DOES IT WORK?**

PAHU members, families, employees and friends within the industry invest in PAHU-PAC with their individual contributions. These individual contributions add up and are disbursed by decision of the Board of Directors.

### **HOW ARE DISBURSEMENT DECISIONS MADE?**

PAHU-PAC disbursements are made when a majority of the Board agrees that a legislator or candidate is worthy of support. The Board is elected yearly and must have representation from each local association. Criteria for support include a number of the following:

- Insurance background or licensed insurance producer
- Demonstrated vote or committee vote record
- Support from local PAHU members
- Leadership of House or Senate; member of a relevant committee such as the House Insurance Committee or Senate Banking & Insurance Committee
- Dynamics of a particular race or district; Is it winnable?
- Preference is given to having local members attend local legislative district events versus higher-priced Harrisburg political fundraisers.
- Disbursements are made to both Democrats and Republicans.

Only individual investments in PAHU-PAC may be accepted. It is against Pennsylvania state law for PAHU-PAC to receive corporate money. PAC contributions are not tax deductible. PAHU-PAC’s Operating Rules may be viewed at [www.pahu.org](http://www.pahu.org).

**A contribution form can be found at**

**[www.pahu.org/PAC/PAHU-PAC.html](http://www.pahu.org/PAC/PAHU-PAC.html)**

Questions? Please feel free to contact PAHU-PAC  
Chairman Shawn Orenstein at (610) 971-2867  
or [shawn@ktbenefits.com](mailto:shawn@ktbenefits.com).

## **Taking the Time to Make the Difference**

*continued from previous page*

to fulfill my obligation to our Members and my fellow Board Members. What was even worse was thinking about all of that money that I wouldn’t be making while I was stuck in some seminar or Board meeting. Does it take up some of my time? You bet it does, but the personal fulfillment of knowing that I really am making a difference has been worth every minute.

***[...] what I  
discovered was  
that this new  
responsibility  
was not only not  
a burden, but a  
true honor.***

Simply to have been given this great opportunity to represent my peers and to participate in the creation of laws which directly affect my own bottom line was an eye opening, motivating experience which has refueled my interest in selling insurance, and in turn, has made me better in all aspects of my business. Up until then, I felt that there was nothing I could do

to impact the Health Insurance environment in Pennsylvania, and even though our struggles seem sometimes overwhelming, I now feel empowered knowing that I’m not in this alone.

As our Membership grows, and our influence in Harrisburg and Washington becomes increasingly more credible, the last thing we can afford to do is become complacent. Our association has made incredible strides in the recent past fighting for the rights of Insurance Professionals and consumers alike, but our battle is an endless one that is going to require the participation and support of each and every one of us if we are going to maintain a viable, competitive marketplace in which to thrive and succeed.

So, either way you look at it, it really is our responsibility to support the very industry, which allows us the means to pursue our own goals and dreams. Therefore, should you find yourself unable to spend a day in Harrisburg or a few days in Washington meeting with Legislators, why not write them a letter instead? It will only take a few minutes and I guarantee you’ll feel good about it. Can’t attend a seminar? Then make a contribution to HUPAC. Whatever you do, just don’t fall into the trap of thinking that there’s nothing you can do or that your efforts won’t be enough, because every little bit helps.

PENNSYLVANIA ASSOCIATION OF HEALTH UNDERWRITERS

**ONLINE**  
**[WWW.PAHU.ORG](http://WWW.PAHU.ORG)**

## HUPAC UPDATE

# A Buck a Day Keeps the Politicians at Bay!



*Joe Kelliher, NAHU  
Region 1 HUPAC Chair*

There are two contributions when it comes to HUPAC; the one that you make to our Health Underwriters Political Action Committee in the way of REAL Dollars, and the one that the Political Action Committee makes to the candidates running for elected office.

A lot has happened behind the scenes over the past couple of years to improve HUPAC for the members that we serve. The members that we serve are YOU! Whether or not you contribute to HUPAC, you are the beneficiary of the contributions that your fellow members make. Those dollars that are contributed to HUPAC by our fellow members are given to financially support candidates who are either seeking political office or who are incumbents seeking re-election.

Some of the most important areas of improvement are:

- We have developed a regular line of communication between the NAHU Board of Trustees, NAHU Staff, the Leg Council and the HUPAC Board. Each board/council has representatives that take part in each other's meetings.
- As of January 10, 2006, HUPAC has developed a website: ([www.HUPAC.org](http://www.HUPAC.org)). The primary purposes of the site are to keep you informed and to give you an additional opportunity to become a HUPAC investor.
- Productive sub-committees have been established to increase communication, to better market our PAC to the membership and to increase contributions.
- A greater focus is being given to the local level. Political

*continued on next page*



### Here's to the beginning of a healthy relationship.

HealthAmerica® and HealthAssurance®. We're committed to serving the needs of our customers. With affordable health plan options, fast, responsive customer service, and user-friendly web tools, we're sure to be a perfect match for your company. Find out more. Call us today or ask your broker to introduce us.

Central Pennsylvania • 1-800-788-7895  
Eastern Pennsylvania • 1-866-522-3886  
Western Pennsylvania • 1-888-388-1702  
Northwestern Pennsylvania • 1-800-255-4281

  
**HealthAmerica®**  
**HealthAssurance®**

This managed care plan may not cover all your health care expenses. Read your contract carefully to determine which health care services are covered. If you have questions, call us at 1-800-788-7895 in central and eastern Pennsylvania, 1-888-388-1702 in western Pennsylvania and Ohio, and 1-800-255-4281 in northwestern Pennsylvania.

contributions are made by YOU and entrusted to the HUPAC Board to make the ‘right choices.’ We want your input and feedback to help us make the best choices, and the best way to accomplish that is for the leadership of your chapter to appoint a local member as the HUPAC chairman.

If you have the financial capability to support YOUR industry’s Political Action Committee, then we need you and we need you NOW!

Consultants have advised us that it is imperative to raise \$1,000,000 per year if we want to get the attention of political leadership. That translates to about \$50 per NAHU member. I don’t think that anyone reading this article would say that they couldn’t afford a \$50 contribution. At the end of the 2004 Election cycle, HUPAC raised \$271,410 (*see below*). Unfortunately, the reality is that just over 5% of our membership contributes to HUPAC. Can you help us increase that number? Can you contribute today?

If you can, please go to our NEW Website: [www.HUpac.org](http://www.HUpac.org).

When you go to [www.HUpac.org](http://www.HUpac.org), you’ll find detailed information about HUPAC and how it works. You’ll see our Articles



of Association that govern the organization. Ultimately, we will be thanking and welcoming new contributors on the “New Contributors” page. You’ll find a HUPAC contribution form (*you can contribute directly online, or save/print a downloadable form*). You’ll also find information about our newest fund raising event; our “Lighthouse Raffle.”

Throughout the years, contributions have been made from HUPAC on behalf of our members to the political candidates and incumbents running for the US congress, the senate, some gubernatorial races and the presidency. The HUPAC Board makes the decision as to who receives the political contributions. The HUPAC Board makes its decisions based on feedback from both NAHU staff and YOU, the NAHU member.

You will be hearing more from us – starting with this article!

Illustrated here is the number of dollars collected from 1/1/2005 through 12/31/2005 in Pennsylvania, in Region 1 and 2, as well as across the Nation. (below)

2005 HUPAC CONTRIBUTIONS BY STATE	
CT.....	\$610
MD.....	\$7,255
MA.....	\$350
NH.....	\$900
NJ.....	\$6,954
NY.....	\$1,680
PA.....	\$5,050
RI.....	\$50
VA.....	\$5,020

Please continue to be ‘Politically Involved’ and show your ‘Political Action.’ Communicate with your legislators regularly and provide your financial support by direct contributions and/or contributions to your State PAC and HUPAC.

And remember, “A buck a day keeps the politicians at bay!”



[www.HUPAC.org](http://www.HUPAC.org)

*Joe Kelliher, Region 1 HUPAC Chair, with Vice President Dick Cheney.*

**HUPAC’S RECENT CONTRIBUTION ACTIVITY**

2006 Election Cycle (in process)	Total	Dems.	Repubs.
National Assn. of Health Underwriters	\$129,250	\$31,000	\$98,250
2004 Election Cycle (completed)	Total	Dems.	Repubs.
National Assn. of Health Underwriters	\$271,410	\$58,700	\$212,710

Source: [OpenSecrets.org](http://OpenSecrets.org)





# NAHU Membership Application



\_\_\_\_\_  
Last Name First Name Designation

\_\_\_\_\_  
Company Title Referral/Sponsor

\_\_\_\_\_  
Mailing Street Address City State Zip

\_\_\_\_\_  
Telephone Fax E-Mail Address

\_\_\_\_\_  
Home Street Address (for legislative purposes) City State Zip

\_\_\_\_\_  
Local Association (see other side of this application)

**Form of Payment Enclosed:** Amount: \_\_\_\_\_

- Monthly Draft (please select one)
- Check (payable to NAHU)
- Annual Credit Card (please select one)
- Checking Account
- Visa
- MasterCard
- Am Ex
- Credit Card
- Discover

**Bankdraft / Credit Card Authorization Form:**

I (we) hereby authorize NAHU to initiate debit entries to my (our) account as indicated.

- Monthly debits will equal one-twelfth of any current applicable national, state or local dues.
- (Please include a voided check from the account to be drafted, or write credit card number below)

\_\_\_\_\_  
Name (as it appears on the check or credit card) Signature

\_\_\_\_\_  
Account Number Expiration Date

**Please Mark the Box or Boxes For The Areas of Your Practice:**

<input type="checkbox"/> Long Term Care	<input type="checkbox"/> Disability	<input type="checkbox"/> Managed Care	<input type="checkbox"/> Retirement
<input type="checkbox"/> Individual	<input type="checkbox"/> Large Group	<input type="checkbox"/> Small Group	<input type="checkbox"/> Worksite Mktg.
<input type="checkbox"/> TPA	<input type="checkbox"/> Self Insured	<input type="checkbox"/> Medicare Supplement	<input type="checkbox"/> Dental

**Mail To: NAHU, 2000 N. 14th Street, Suite 450, Arlington, VA 22201**  
**Fax to: 703 841-7797**

**If you have questions, please contact Illana Maze,  
 NAHU VP of Membership, at 703-276-3810**

# FEATURED CHAPTER

## Pittsburgh, PA



### Members Serving the Pittsburgh Association of Health Underwriters

#### President

Mr. Donald L. Balla, Jr.  
Simpson & McCrady LLC  
1320 Grant Building  
Pittsburgh, PA 15219  
Work Phone: (412) 261-2222  
Fax: (412) 261-3437  
Email: [don@simpson-mccrady.com](mailto:don@simpson-mccrady.com)



#### Awards Chair

Ms. Marcella L. Chan  
Cigna HealthCare  
3101 Park Lane Drive  
Pittsburgh, PA 15275-1111  
Work Phone: (412) 747-7539  
Fax:  
Email: [marcella.chan@cigna.com](mailto:marcella.chan@cigna.com)



#### President-Elect

Ms. Marcella L. Chan  
Cigna HealthCare  
3101 Park Lane Drive  
Pittsburgh, PA 15275-1111  
Work Phone: (412) 747-7539  
Fax:  
Email: [marcella.chan@cigna.com](mailto:marcella.chan@cigna.com)



#### Education Chair

Mr. Donald L. Balla, Jr.  
Simpson & McCrady LLC  
1320 Grant Building  
Pittsburgh, PA 15219  
Work Phone: (412) 261-2222  
Fax: (412) 261-3437  
Email: [don@simpson-mccrady.com](mailto:don@simpson-mccrady.com)



#### Past President

David Scott  
ARMS Insurance Group, Inc.  
3000 Lento Boulevard  
Bethel Park, PA 15102-2570  
Work Phone: (412) 835-9100  
Fax: (412) 831-8667  
Email: [dscott@armsins.com](mailto:dscott@armsins.com)



#### Federal and State Legislative Chair

Douglas F. Moore, RHU  
Seubert & Associates, Inc.  
1010 Ohio River Blvd  
Pittsburgh, PA 15202-2836  
Work Phone: (412) 734-4900 x276  
Fax: (412) 734-5725  
Email: [dmoore@seubert.com](mailto:dmoore@seubert.com)



#### Secretary

Ms. Kristin M. Bartone  
Ameritas Group Dental and Eye Care  
Pittsburgh Regional Sales Office  
PO Box 14585  
Pittsburgh, PA 15234  
(412) 343-3872 Direct Dial  
(412) 343-3873 Fax  
Email: [kbartone@ameritas.com](mailto:kbartone@ameritas.com)



#### Membership & Retention Chair

Erik N. Bachman  
American Medical Security, Inc.  
2000 Cliff Mine Road, Suite 100  
Parkway Plaza II  
Pittsburgh, PA 15275  
Work Phone: (800) 991-4420  
Fax: (412) 809-0565  
Email: [erik.bachman@eams.com](mailto:erik.bachman@eams.com)

NO PHOTO

#### Treasurer

Mr. Kevin W. Sweeney  
Three Rivers Financial Services  
125 Hillvue Lane  
Pittsburgh, PA 15237-5341  
Work Phone: 412-318-8138  
Fax: (412) 318-8171  
Email: [sweeney@three-rivers.com](mailto:sweeney@three-rivers.com)

NO PHOTO

#### Media Relations Chair

Ms. Michelle Jordan  
Aetna  
1427 Greenmeadow Drive  
York, PA 17404-8533  
Work Phone: (717) 645-5929  
Fax: (717) 764-7620  
Email: [jordanm@aetna.com](mailto:jordanm@aetna.com)



## PAHU FEATURED CHAPTER

# Pittsburgh Association of Health Underwriters

### 2005 Chapter Accomplishments:

- Critical contributor in launching the first new AHU chapter in PA in over 5 years, the Northwest PA AHU headquartered in Erie, PA.



- Hosted 2nd Annual Health Care Panel Discussion “Health Care Consumerism – Sharing the Responsibility of Health Care Costs” in February at the Sheraton Station Square including panel members from insurance payors, provider organizations, and plan sponsors. Over 80 independent agents in attendance.
- Held a 5 credit CE course on Small Group Reform and Ethics in Producer Compensation. Over 100 agents in attendance.
- 11 members participated in PA’s 2005 “State Day on the Hill” lobbying in Harrisburg, PA.
- 8 members traveled to Washington, DC to participate in NAHU’s 2005 Capital Conference.
- 4 members traveled to Miami, FL to attend NAHU’s 2005 National Conference.



- Held PGH-AHU’s 7th Annual Golf Outing fundraiser at Lindenwood Country Club in May with over 120 golfers.
- Hosted our 2nd Annual Holiday Party with over 40 agents attending.

### 2006 Goals

- Membership Growth – chapter currently has 124 members with plans to grow to 150 by the end of 2006.
- Continuing Education initiative continues for 2006 with the first event planned for March 21st, 2006 in Cranberry, PA.
- Striving to qualify for the following NAHU achievement awards by National Conference 2006:
  - o Pacesetter Award
  - o Presidential Citation Award
  - o Robert W. Osler Education Award
  - o Spirit of Freedom Legislative Award
  - o Chapter Legislative Excellence Award
- 8th Annual Golf Outing will be held May 11th, 2006 at Lindenwood Golf Club in McMurray, PA.
- Targeting 100% PGH-AHU board participation in NAHU’s Triple Crown program.

## **WELCOME NEW PAHU MEMBERS!**

**December 1, 2006 through December 31, 2006**

### NEW MEMBER

### PAHU CHAPTER

**Richard D. Derke**  
United Healthcare

PITTSBURGH

**Stephen A. Strishock**  
United Healthcare

PITTSBURGH

**Evan Michaelson**  
MetLife

PITTSBURGH

**Amy Broadbent**  
HRH Affinity Marketing Group

PITTSBURGH

**Richard D’Amore**  
Principal Financial Group

PITTSBURGH

**David LaPlaca**  
LaPlaca Insurance, Inc.

PHILADELPHIA

**Robert Wagner**  
The Insurance Group, Inc.

CENTRAL PA

**CPAHU**  
**THE CENTRAL PENNSYLVANIA ASSOCIATION**  
**OF HEALTH UNDERWRITERS**  
*Proudly presents*

## **Supplemental Insurance Products and Flexible Benefits Plans**

*This course reviews the fundamentals and benefits of supplemental insurance products and flexible benefits plans. This course also focuses on the employer benefit needs, and the associated advantages of supplemental benefits and flexible benefit plans. Related legislation and market trends are also reviewed.*

**When:** **Tuesday, March 7, 2006. Registration and Continental Breakfast beginning at 8:00 am. Seminar from 9:00 a.m. to 1:00 p.m.**

**Where:** **Holiday Inn, Harrisburg East, 4751 Lindle Rd/Swatara exit/I-83, Harrisburg, Pa. 717. 939-7841.**



*Sallie Humphries is a Regional Instructor for Colonial Supplemental Insurance supporting PA, NJ and NY and she is also a licensed insurance agent. She graduated with a Bachelor of Science degree from the University of South Carolina in 1983. She began her insurance career that same year with Blue Cross and Blue Shield of South Carolina in the Marketing Department. Subsequently the company promoted her to Marketing Manager with Planned Administrators, Inc., a third party administrator owned by BCBS of SC. Sallie left BCBS in 1995 and moved to Colorado where she became a property and casualty insurance agent with a large agency in Aspen. Upon returning to the East 5 years ago, she accepted a position as Product Analyst with Colonial Supplemental Insurance in the Product Management and Development department and was promoted to her current position. Sallie is also a certified instructor for continuing education in five states.*

**Featured Speaker:** **Ms. Sallie G. Humphries, HIA, Colonial Life & Accident, and President/NEPAHU, Bethlehem, Pa.**

**CE Credits:** **Three (3) CE Credits. (Pa. License Number Required with Registration)**

The Registration Deadline is March 3, 2006. The COST is \$35.00 for CPAHU & NAHU Members and \$45.00 for Non-Members. **Please make checks payable to CPAHU.** Non-Members who pay \$35.00 will not receive any CE credits.

**Name:** \_\_\_\_\_ **SS#** \_\_\_\_\_

**Company Name:** \_\_\_\_\_ **Tele #** \_\_\_\_\_

**Address:** \_\_\_\_\_

**City, State, Zip:** \_\_\_\_\_

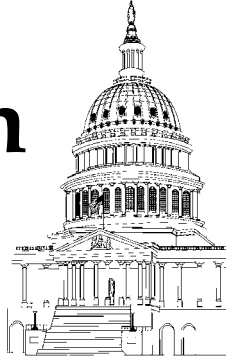
**MAIL OR FAX REGISTRATION AND AD INFORMATION TO:**

Bob Dickman, CPHAU 361 W Market Street, PO Box 3

York, PA. 17405-0003

(717) 843-0521; Fax (717) 845-8221

National Association  
of Health Underwriters  
**Washington  
Update**



**Budget Reconciliation Bill**

The House and Senate passed reconciliation bills last week addressing two items of interest to NAHU. The primary area of interest is the language in the bill authorizing further development of long-term care partnership programs. Although there is some minor difference in the wording of the House and Senate versions, we anticipate members will be appointed quickly to the conference committee and action taken before the end of this year. The bill also appropriates \$90 million over the next year for the high-risk pool funding bills that recently passed both houses. This would mark passage of two NAHU priority legislative agenda items this year.

**Medicare**

Enrollment for Medicare Part D benefits began November 15. The initial enrollment period will run through May 15, 2006. We're hopeful that many NAHU members will use the Thanksgiving holiday to talk to friends and relatives about their new options, and that they will continue to inform their clients about their new benefits and choices. Detailed information about the new choices can be found at [www.medicare.gov](http://www.medicare.gov). From this webpage you can help people find the right Medicare health plan or prescription drug plan and, in case you missed it, watch a video of the CNBC program that ran in prime time on November 19 about the new program.

We want to be sure that all of you are also aware of the toolkits developed by CMS that will be helpful to you as you assist your friends, family and clients with these decisions. They can be accessed at [www.cms.hhs.gov/partnerships/tools/materials/medicaretraining/hihresourcekit/default.asp](http://www.cms.hhs.gov/partnerships/tools/materials/medicaretraining/hihresourcekit/default.asp).

One brochure that is particularly good is "A Guide to Getting Started." You can print a copy at [www.medicare.gov/Publications/Pubs/pdf/11146.pdf](http://www.medicare.gov/Publications/Pubs/pdf/11146.pdf). Of course, you'll also find a wealth of tools on [www.nahu.org](http://www.nahu.org). Look for our Medicare web pages, including our page that is just for consumers.

*continued on next page*

**HEALTH CARE  
SPENDING REPORT  
DEMONSTRATES  
VALUE OF COST  
CONTAINMENT  
TECHNIQUES**

Karen Ignagni, President and CEO of America's Health Insurance Plans (AHIP), made the following statement on the health care spending report released by the Centers for Medicare and Medicaid Services (CMS).

"This report confirms that consumers are benefiting from the widespread adoption of health insurance plans' prescription drug tools and techniques. Increased access to generics, tiered formularies, step therapy and mail-order programs have become an integral part of health benefits packages and are helping meet consumers' demand for more affordable medicine.

"In addition to innovative prescription drug programs, advances in research, investments in health information technology and programs that reward quality care are demonstrating great potential for making health care more affordable and accessible.

"While this report finds important progress on some fronts, it also demonstrates the need for further work in improving the affordability of health care. Medical liability reform remains an unfulfilled promise to consumers who continue to shoulder the heavy financial burden of frivolous lawsuits and the widespread practice of defensive medicine in hospitals and physician offices. Evidence-based medicine has yet to become the gold standard of health care. Generous investments in new medical technology have yet to be matched with corresponding funding to assess which new treatments and technologies work better than existing therapies."

On an additional note, we have received a number of questions from you about the CMS notification requirement for employers and other entities that have a responsibility for notifying their Medicare-covered employees as to whether or not the drug coverage they provide is as good as Medicare coverage. The guidance for notification to CMS is in the works and expected to be out by the end of November. Finally, the last session in our six-part Medicare web seminar series will be held on December 8. For more information or to order a recorded CD of prior sessions, go to the Medicare series education section of the NAHU website at <https://secure.commpartners.com/eventmanager/info.php?user=nahu&id=8>.

## **Consumer-Directed Health Care Conference**

The Consumer Directed Health Care Conference is coming up soon. The meeting is scheduled December 7-10 at the Omni Shoreham Hotel in Washington, DC. The conference, entitled “The Convergence of Consumerism with Health Care Innovations and Technology,” will address many concerns and questions from both employers and producers. The agenda includes speakers known in the industry for their expertise, CEOs of major corporations, members of Congress and their staff, and

senior members of the Bush Administration. The conference will provide an opportunity to address questions and concerns about CDHPs from many perspectives. NAHU has been a broker/agent/health plan track coordinator for several conferences. In addition, for the first time at this conference, NAHU has our own “NAHU Track” with special information to help agents, brokers and employers make good decisions about consumer-directed health care plans. Additional information about the conference can be found on [www.cdhcc.com](http://www.cdhcc.com). NAHU members receive a 30% discount and should use NAHU30PCT on the registration form to receive the discount. We hope to see you there – stop by the NAHU booth and say hello!

## **House Returns From Winter Break**

The House is returning from their winter recess on January 31. Upon their return, it is expected that they will agree to the Senate amendments to the reconciliation package. Included in this package are provisions to remove the federal impediment to long-term care partnerships and high-risk pool funding for the states.

## **Other News**

**New IRS HSA Notices** – The IRS has issued two new HSA Notices: **Notice 2005-83** (<http://www.americanbenefitscouncil.org/documents/irs2005-83.pdf>) extending the transition relief from state mandates for non-calendar year plans and **Notice 2005-86** (<http://www.treas.gov/press/releases/reports/n0586.pdf>) providing guidance on how to coordinate HSAs with FSAs with the 2½ month FSA account spending extension.

### **Please contact the Government Affairs staff with any questions:**

Janet Trautwein, CEO and Executive Vice President  
[jtrautwein@nahu.org](mailto:jtrautwein@nahu.org)  
Tom Bruderle, Vice President of Congressional Affairs  
[tbruderle@nahu.org](mailto:tbruderle@nahu.org)  
John Greene, Senior Director of Federal Affairs  
[jgreene@nahu.org](mailto:jgreene@nahu.org)  
Jennifer Hillert, Director of Political Affairs  
[jhillert@nahu.org](mailto:jhillert@nahu.org)  
Janice Kupiec, Director of State Affairs  
[jkupiec@nahu.org](mailto:jkupiec@nahu.org)  
Megan Mamarella, Director of State Affairs  
[mmamarella@nahu.org](mailto:mmamarella@nahu.org)  
Jessica Waltman, Director of Policy Research  
[jwaltman@nahu.org](mailto:jwaltman@nahu.org)  
Tracy Canada, Executive Assistant  
[tcanada@nahu.org](mailto:tcanada@nahu.org)

### **STAY ON TOP OF THE ISSUES THAT AFFECT YOUR INDUSTRY**

Visit NAHU’s website for the latest updates that face the industry and your profession. Get the latest news on Medicare, Association Health Plans, the Trade Adjustment Act of 2002, The Uninsured, Long Term Care, Genetic Discrimination, Managed Care, and much more.

Also, take advantage of NAHU’s “Operation Shout” feature that provides a “Legislative Action Center” complete with Action Alerts, guides to your local elected officials, ongoing election coverage in your area, plus daily updated schedules for the state and national Legislature.



For more information, visit [www.NAHU.org](http://www.NAHU.org)!





## A SUMMARY OF NEWS & RESOURCES

*Excerpts from Phillips Associates' LEG-REG REVIEW*

### **TELL YOUR PRODUCERS: THEY MUST KNOW THEIR LICENSE NUMBER!**

Beginning January 1, 2006, Social Security numbers will no longer be used for CE sign-ins. The new requirement is the insurance producer's license number. This is regarded as a positive step given concerns about privacy and confidentiality of Social Security numbers. The guidance from the state says that there will be a time frame from January 1-16 when either number will be accepted for courses completed before January 1. For CE taken after January 1, ONLY insurance license numbers will be used.

### **HSA BILLS STILL IN LIMBO**

Three Health Savings Accounts bills are still awaiting legislative consideration. These would complete the work done by HB 107 (Payne-R-Dauphin) that allowed for a PIT incentive for interest accumulating within an HSA. They would expand the tax incentive to deposits going into an account. SB 300 was re-referred from the House Rules Committee December 14 while SB 854 was re-reported by the House Appropriations Committee December 13. Senator Gib Armstrong (R-Lancaster) sponsored both. A third bill, HB 2125, was to have been taken up by the House Health and Human Services Committee December 13, but that did not happen.

### **LONG-TERM CARE PARTNERSHIP RE-EMERGES AT FED LEVEL**

Tucked into the Budget Reconciliation Act S. 1932 is section 6021 authorizing the states to enact Long-Term Care Partnerships, something that has been stymied since passage of the so-called Waxman Amendment dealing with Medicaid estate recovery. (Text is available at [www.thomas.gov](http://www.thomas.gov)). Currently, the U.S. House and Senate have competing versions of the overall Budget Reconciliation Act because of last-minute Senate amendments. The House would have to concur before the bill became law. LTC Partnerships permit the shielding of assets from Medicaid spend-down that permit the purchase of a private sector LTC insurance policy. Right now, only four states have them.

### **HOUSE PROPERTY TAX PLAN DRAWS FIRE**

A January 4 hearing convened by the Senate Committee on Legislation attracted an overflow crowd of over a hundred to witness a number of attacks on Senate Bill 854, the House-passed property tax reform plan. The plan would increase Personal Income Tax from 3.07 to 3.29 and would remove current sales tax exemptions from items such as candy. It would also impose sales tax on new areas including shows and amusements, janitorial services, etc. Of particular interest to the Insurance and Banking Communities is the tax being imposed on financial planning and on business consulting services. Testifying was Vanguard (mutual funds) and a panel made up of insurance executives from Donegal, Penn Mutual, and Erie. Independent agents also maintain (*although not in formal testimony at this hearing*) that a sales tax on these services hurts the competitiveness of the independent agent as a choice versus insurance where there may not be a reliance on fees. Associations fear that memberships may be taxed. An excellent resource on the bill and text of all testimony is found at the Senate Republican Caucus web site [www.pasenategop.com](http://www.pasenategop.com).

### **LEGISLATIVE STATUS CHECK**

- Eminent domain was the issue contained in two bills that passed the Senate. SB 881 (Piccola-R-Dauphin) limits municipalities from using eminent domain unless the area is blighted, abandoned, or if the owner has consented. Its companion, SB 897 (Brightbill-R-Lebanon), establishes new procedures governing such condemnations including a local court review.
- The House passed an autism health insurance mandated benefit bill, HB 2243 (O'Brien-R-Phila.). It would require health insurers to pay for diagnosis, treatment, and rehabilitation for autism disorders.
- Pending this coming week is HB 2082 (Allen-R-Schuylkill) to enact state spending limits. It would prevent spending for the Commonwealth General Assembly appropriations to grow faster than an inflation index unless there is a federal emergency or if there is a super-majority vote by the General Assembly. Surpluses would be divided between a Rainy Day Fund and taxpayer refunds. It passed the House once, and the Senate, but goes back to the House for final concurrence.



## The Future of Work & Health: Where do we go from here?

You are cordially invited to attend the **GPAHU Winter CE Event**  
at the **Whitemarsh Valley Country Club on February 8, 2006**

Course to be presented by  
**Dr. Ron Leopold, MD**,  
MBA, MPH, National Medical  
Director, Vice President,  
MetLife Group Disability

In 2004, Ronald S. Leopold published a book called "A year in the life of a Million American Workers." Dr. Leopold spent over a year researching the data to determine the current and future impact of health concerns in the workplace. The book lays claim to a story of one million American workers and their health conditions, illnesses, and absence patterns over a one year period and was compiled from MetLife data as well as other leading industry sources. From this information, Dr. Leopold has developed this 2 hour Continuing Education course. Course will cover:

- Discussion on top workplace disabilities and how they impact absenteeism and lost productivity.
- How to identify the health-related causes of lost productivity.
- How to evaluate and consider proven approaches for helping employees return to work.

**Space is limited...so RSVP now! Earn 2 CE credits in PA & NJ!**

Presented by  
**MetLife**

Registration required. RSVP no later than February 1st. No refunds given after February 1st.

<b>Date:</b> Wednesday, February 8, 2006	<b>Place:</b> Whitemarsh Valley Country Club 815 Thomas Road Lafayette Hill, PA 19444 For directions: <a href="http://www.whitemarshvalleycc.com/about.asp#directions">www.whitemarshvalleycc.com/about.asp#directions</a>
<b>Time:</b> 8:00 - 11:00AM Buffet Breakfast	
<b>Cost:</b> FREE for GPAHU members, \$20 for NAHU members, \$35 for non-members	

Please complete the form below and fax your registration to 1-610-903-4448 or mail it with payment to GPAHU, 425 Shelbourne Lane, Phoenixville, PA 19460.  
Inquiries to Karen Mardis at [kwmardis@gpahu.net](mailto:kwmardis@gpahu.net).



Name \_\_\_\_\_ Company \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ ZIP \_\_\_\_\_

Phone ( ) \_\_\_\_\_  GPAHU Member Free  NAHU Member - \$20.00  Non-Members - \$35.00

Email \_\_\_\_\_ Credit Card:  Visa  Master Card  American Express

Credit Card No. \_\_\_\_\_ Exp. Date \_\_\_\_\_

Signature if paying by Credit Card \_\_\_\_\_

SUPPORT THE ASSOCIATION THAT SUPPORTS YOUR LIVELIHOOD  
[www.gpahu.net](http://www.gpahu.net)

# Capitol Conference March 27 - 29, 2006



Details are available at: [http://nahu.org/meetings/CAPITOL/Lodging\\_2006.htm](http://nahu.org/meetings/CAPITOL/Lodging_2006.htm)

## IMPORTANT DEADLINES

**EARLY BIRD CAPITAL CONFERENCE REGISTRATION DEADLINE: FRIDAY, FEBRUARY 10, 2006**

### This means:

- Faxed registrations (with payment in full via credit card) must be received at NAHU no later than 9:00 p.m. eastern time on February 10th.
- Electronic registrations (with payment in full via credit card) must be e-mailed no later than 9:00 p.m. eastern time on February 10th.
- Mailed registrations must be postmarked no later than February 10th.
- Registrations using NAHU bucks or with payment by check must be mailed!

**CAPITAL HILTON HOTEL RESERVATIONS CUT-OFF DATE: FRIDAY, MARCH 3, 2006**

### This means:

- The hotel is not required to give you our conference rate if you call after March 3rd, even if they have rooms available.
- You are not guaranteed to receive the conference rate up until that date. The hotel is only required to honor our group rate until we fill our contracted block of rooms.
- Your credit card will be charged one night's deposit when you make your reservation.

## TRANSPORTATION

American Airlines has been selected as the official airlines of Capital Conference 2006. American is offering a 5% discount off lowest applicable fares, as well as zone fares. Zone fares allow for discounted travel without a Saturday night stay over, and are partially refundable if you need to cancel.

For conference airline discounts, visit [www.aa.com](http://www.aa.com) and enter A2136AR as the discount code. Or you may contact (or have your travel agent contact) American Airlines Meeting Services Desk toll free (1-800-433-1790) and refer to authorization number A2136AR.

Avis is offering discounted car rental fees to Capital Conference attendees. To take advantage of discounted rates, call 1-800-331-1600 and use discount code number D086892.

## HOTEL ACCOMMODATIONS

Capital Conference is returning to the Capital Hilton Hotel, located at 16 th & K Streets, NW. You may make reservations by calling 1-800-445-8667 or 202-393-1000. Be sure to identify yourself as an NAHU Capital Conference attendee to obtain the discounted rate of \$224 single/\$249 double. Towers Rooms are available for \$254 single/\$280 double. Quoted rates do not include tax. Check-in time is 3:00 p.m. One night's deposit is required to guarantee your reservation, and your credit card will be charged at the time you make your reservation. The reservation cut-off date is Friday, March 3rd. Be sure to make your reservations early, as the hotel will offer the group rate only until our block of rooms is filled.

# NAHU's 16th Annual CAPITOL CONFERENCE

March 27-29, 2006



First Name (please print your full legal name) \_\_\_\_\_ Last Name \_\_\_\_\_ Designations \_\_\_\_\_

Nickname for Badge \_\_\_\_\_ Company Name \_\_\_\_\_

Business Address \_\_\_\_\_ City, State, Zip \_\_\_\_\_

Telephone \_\_\_\_\_ Fax \_\_\_\_\_ E-mail \_\_\_\_\_

- I will attend the Congressional Reception (Wednesday, March 29, 5:30-7:00 p.m.)
- This is my first Capitol Conference
- I have contributed to HUPAC since January 2005

In case of emergency, please notify:  
 \_\_\_\_\_  
 Name  
 \_\_\_\_\_  
 Daytime Phone \_\_\_\_\_ Evening Phone \_\_\_\_\_

## REGISTRATION FEES

By February 10 .....\$325  
 February 11 - March 3 .....\$350  
 After March 3 .....\$425

GUEST FEE - \$50  
 Guest fee includes 2 continental breakfasts and the Congressional Reception. Guests cannot be health insurance professionals.  
*Note: Congressional Reception guests must be at least 21 years of age. Only Capitol Conference attendees and their registered guests may attend the reception.*

Total Amount Due \$ \_\_\_\_\_  
 Less "NAHU Bucks" enclosed \$ \_\_\_\_\_  
 Total Amount Remitted \$ \_\_\_\_\_

Guest Name \_\_\_\_\_

## PAYMENT INFORMATION

My check made payable to NAHU is enclosed.   
 Please charge my registration fee to:  MasterCard  Visa  American Express  Discover

Account Number \_\_\_\_\_ Expiration Date \_\_\_\_\_

Signature \_\_\_\_\_

NOTE: You may pay all or any portion of your registration with NAHU Bucks. Mail registration with payment to: NAHU Capitol Conference Registration, 2000 N. 14th Street, Suite 450, Arlington, VA, 22201. Registration forms may be faxed to (703) 841-7797, but must include credit card information and authorization.

**Cancellation Policy: All cancellations must be in writing and submitted via mail or fax. Cancellations by March 3, 2006 - full refund, less \$50 administrative fee. Cancellations after March 3, 2006 - If there is an act of terrorism or war within the United States that, in the opinion of the NAHU Board of Trustees, makes it impossible or inadvisable for members to attend Capitol Conference, written cancellation requests received prior to the start of the conference will be honored in full, less a \$50 administrative fee. In the absence of such an incident, no refunds will be provided.**

Please check here if you have any special needs or require special services to fully participate in Capitol Conference 2006. Please attach a list of your specific needs.