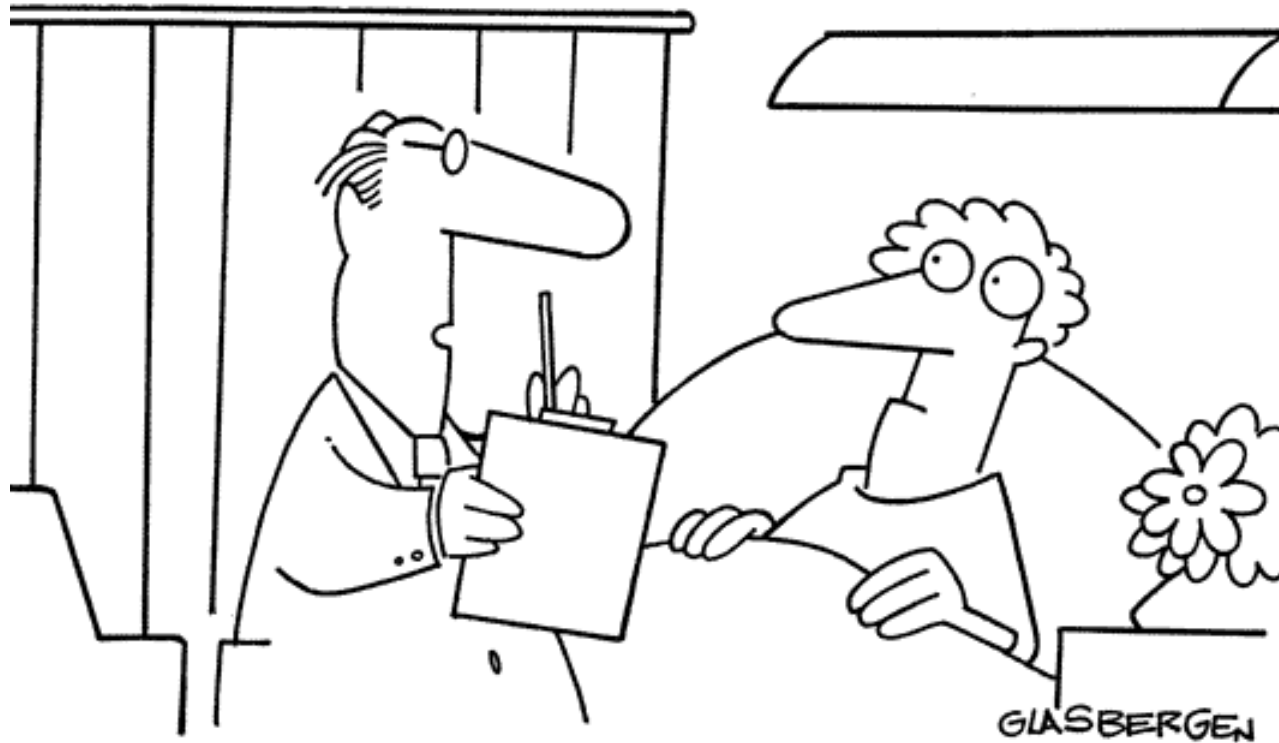

Health Insurance For Early Retirees

Finding the Bridge to Medicare

Vinny Catalano, Principal
Benefit Insurance Services

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**“Your insurance only pays 80% of my fee,
so I only took out 80% of your appendix.”**

BENEFIT Insurance Services

- Founded by Dale Waters in 1979
- Member of United Benefit Advisors
- Boutique Group Benefits Agency
- 5 Producers, 11 staff
- Full service and value added products
- Represent all carriers in CA
- Medical, dental, vision, STD, LTD, life, worksite, etc.

A Little About Me

- BA Chemistry, Skidmore College
- MBA UC Davis 1997
- Serve as UCD GSMAA President
- Serve on SAHU Board
- Serve on Kaiser and WHA Broker Advisory Councils

Let's Get This Out Of the
Way....

Your Client Can Still Be
Out of Luck 😞

COBRA First...

- Federal COBRA Lasts 18 months
- Cal-COBRA adds an additional 18 months in California
- 18 months for most other states
- COBRA is “expensive” or is it?

Individual Plans

- Medically Underwritten
- Carriers make their own rules
- Can rate up depending on medical condition
- Can deny based on just about anything

MRMIP

- CA Major Risk Management Insurance Program
- COBRA Must Be Exhausted or ...
- If denied an individual plan
- Enrollment is capped...waiting list
- Length of time allowed in 36 months
- Benefit Plans are “rich” and expensive
- www.mrmib.ca.gov

HIPPA Plans

- Are Guarantee issue subject to restrictions:
- Must have 18 months continuous coverage, employer sponsored plan
- COBRA/Cal-COBRA must then be exhausted fully, if available
- Have lost coverage in last 63 days (not for fraud or nonpayment)
- Not be eligible for Medi-Cal or Medicare
- Benefit Plans are like carriers regular individual plans

Association Plans

- Are not necessarily a great value
- Plans vary widely
- May not be guarantee issue
- But can be a good option

Group Insurance

- What is a Group?
- Governed by AB1672 – Guarantee Issue, 2-50 EE's
- Rates Vary +/- 10%
- Can Be 1 EE + 1 waiver, even part timer
- Can Be Husband and wife if in *documented* business together
- Should they form an partnership or LLC?
- Pay minimum wage to spouse

Can A Group Be Just One?

- Yes! With Western Health Advantage
- Must Show \$40K in business income in previous year
- Given Guarantee issue at 1.1 Risk Adjustment Factor
- www.westernhealth.com

The Not Quite Insurance Options

- Mini-Med plans
- Buying a Discount Network
- Boutique Doctors

- There is no risk cap with these options

HSA Update 2007

- Must Have Qualified High Deductible Plan to Open Account (\$1050 deductible or higher)
- Be Aware of Account Fees
- Most Carriers Offer HSA Compatible Plans
- Kaiser and Blue Cross offering Simplest to Understand Plans
- MOOP vs Deductible

IRS Rule Changes 2007

- Maximum Contribution Allowed
- No More Proration
- IRA Rollover Allowed...Once Per Lifetime
- HSA Road Rules on Our Website

The Future of Health Insurance

Will we go to the DMV for an MRI?
Or is it just Back to the Future?

Thanks!

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