



LINDSTROM INSURANCE

EMPLOYEE BENEFITS • LIFE AND DISABILITY INSURANCE

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Summer, 2016

Blue Shield Introducing an HMO Option in Northern California for 2017

Blue Shield will offer a TRIO HMO plan in Northern California alongside their PPO plans. The TRIO plan, currently available for small groups, will not include access to PAMF. The TRIO HMO plan is part of the Accountable Care Organization model.

Accountable Care Organizations (ACO) are designed to deliver care with an integrated team approach. The carrier, the medical providers and the hospitals all work together to help deliver high quality care and help reduce cost increases by reducing unnecessary Emergency Room visits, Hospitalizations and readmissions.

From the Blue Shield website:

The Blue Shield ACO model is one of the most successful in the country, having saved more than \$250 million in healthcare costs since inception. This model improves information sharing and decision-making between providers, hospitals and Blue Shield as the three parties work together side-by-side under a set of aligned incentives.

“Trio provides access to high quality, affordable care that puts our members first. Their needs are the central focus for the three organizations involved in our ACO model: doctors, hospitals, and Blue Shield of California,” said Janet Widmann, executive vice president at Blue Shield.

“Our ACO providers have a strong track record of improving patient care.”

The plans will likely have Wellness incentives included. More details will be released closer to the open enrollment period.



Kaiser Plans to be Offered in Santa Cruz County

Kaiser will be offering group and individual health plans (for those not eligible for Medicare) in Santa Cruz County beginning January 1, 2017. We should be able to give you a quote to show their plans and rates as early as November of this year, during open enrollment. It appears their rates will be lower than the other insurance companies.

Watsonville Hospital will be sharing their facility with Kaiser Doctors and the Kaiser computer system. There will be a limited number of beds for Kaiser patients in Watsonville. Primary Physicians will be practicing in a small clinic in downtown Santa Cruz, while mutli-specialty clinics (with both primary care physicians and some specialists) will be located in Watsonville and Scotts Valley.

Members living or working in Santa Cruz will also have access to Kaiser facilities in other counties, such as their Santa Theresa and Santa Clara hospitals.

MEDICARE HEALTH INSURANCE	
1-800-MEDICARE (1-800-633-4227)	
NAME OF BENEFICIARY JOHN DOE	SEX MALE
MEDICARE CLAIM NUMBER 000-00-0000-A	EFFECTIVE DATE 01-01-2007
IS ENTITLED TO HOSPITAL (PART A)	EFFECTIVE DATE 01-01-2007
MEDICAL (PART B)	
SIGN HERE →	

Covered California and Medicare

Say you're on Covered California now, getting a subsidy, and you'd like to keep it that way. But what happens when you become eligible for Medicare?

Covered California will most likely not recognize that you've turned 65 and are now eligible for Medicare. You are no longer eligible to receive a subsidy if you are enrolled in any part of Medicare. Here's the information directly from a Covered California Fact Sheet:

"Becoming eligible for Medicare while enrolled in a Covered California health plan with premium tax credit:

If you are enrolled in a Covered California health plan and you become newly eligible for premium free Medicare (upon turning 65 for example), you must report your Medicare eligibility to Covered California within 30 days of becoming eligible. You have until the end of your Medicare open enrollment period (which begins three months before the month of your 65th birthday and ends three months after the month of your 65th birthday for a total of seven months) to sign up for Medicare and cancel your Covered California plan.

If you do not report your Medicare eligibility to Covered California and continue receiving premium tax credit, you are deemed ineligible for premium tax credit as of the first day of the fourth calendar month following your 65th birthday (or the date of the event that establishes your Medicare eligibility) and you

may have to pay some or all of the premium tax credit you received after that date to the IRS at tax time even if you never sign up for Medicare."

If you'd like more information about this situation, please let us know and we can email you the entire 5 page document from Covered California giving all of their various scenarios about Medicare coverage.

Network Negotiations with PAMF for January 1, 2017

According to our Records, Blue Shield and Health Net have their provider contracts with PAMF/Sutter up for renewal as of January 1, 2017. These negotiations sometimes go smoothly, but the 2015 contract with Blue Shield resulted in PAMF doctors being considered "out of network" while details were worked out.

We'll keep you posted as information is released, but this could be a factor in your plan selection for next year.

Penalty for Not Having Health Insurance in 2016



For 2016, the fine for not having Minimum Essential Coverage is the greater of \$695 per adult and \$347.50 per child or 2.5 percent of taxable household income (up to \$2,085 maximum for the family) for those who are above the threshold for filing taxes. The 2017 penalties have not been announced.

If you'd like to see how this will affect you and your family, you can use the Tax Policy Center's Affordable Care Act penalty calculator. The website is: <http://taxpolicycenter.org/taxfacts/acacalculator.cfm>



PPO & EPO Medical Plans in 2017 will Require Election of Primary Care Physician

Even though a PPO (or EPO) plan does not require a referral from a Primary Care Physician (PCP) to see a specialist like the HMOs do, next year you'll be matched with a PCP at enrollment (or within 60 days thereafter). Either the member or the Health Plan will select the physician. If the Health Plan selects the physician, you'll be able to change to another PCP at any time by contacting the insurance company.

The Primary Care Physician can be a Family Practice doctor, Internist, or Pediatrician. Nurse Practitioners or Physicians Assistants may also be selected. Each family member can have their own PCP.

More details will be released closer to the open enrollment period, but one possible reason for this is to force consumers to look at the network they're selecting at the time they enroll. (There have been numerous examples of unhappy customers who discover their doctor is not part of their network months after enrolling.)

You will not be required to actually see this Primary Care Physician, as far as we know, but this is an effort to be sure you actually have access to a provider.

Preparing for 2017 Open Enrollment

Open enrollment for individual Health Plans begins on November 1, 2016. We anticipate another very busy season, so we need your help to make this as efficient as possible to maximize the number of clients we can help. (There will likely be a couple of weeks prior to this date where existing clients may renew in October).

Please have the following information available before your telephone appointment:

- 1) **Estimate of what you'll be earning in 2017** (Adjusted Gross Income). We know this is difficult to do, but necessary to help you get the correct APTC (Subsidy) if you'll be applying or renewing through Covered California.
- 2) **Know who is included on your tax return.** A "Household" is not determined by who lives under your roof, but by who appears on your tax return.
- 3) Have a list of your **important doctors** and other providers handy. Please know their Medical Groups, too. We'll email you the link to look up your doctors when we confirm your appointment.
- 4) If you plan to have a surgery, are pregnant, or anticipate another big medical expense, please let us know so we can help you select the benefit level that will work the best for you.
- 5) Know your family's **prescriptions.** You may want to look them up in the "formulary" for each plan prior to the phone appointment.

We'll begin arranging those appointments October 1. Phone our main office number, 831-335-8200 to set up your time.

Individual Health Insurance and Covered California Special Enrollment Periods

The open enrollment period for Individual Insurance, both through Covered California and direct through carriers is now closed. Online applications have been disabled for most carriers, and paper applications will be needed.



The next opportunity to purchase insurance for individuals and families without a qualifying event will be November 1, 2016 through January 31, 2017.

You may only enroll in an individual plan (either on-exchange, through Covered California, or off-exchange, with a carrier directly or through our website) if you have a “Qualifying Event”. Examples include:

1. Having a child or adopting a child, receiving a child into foster care, or placing a child in adoption or in a foster home.
2. Getting married or entering into a domestic partnership.
3. Losing health coverage (Medi-Cal or other coverage, such as employee benefits lost when your job ends or when you turn 26).
4. Change in address which allows access to new Covered California health insurance plans. This includes moving to California from another state, or being released from jail or prison.
5. Returned from active duty military service.

6. Being a member of a federally recognized American Indian or Alaska Native tribe.

If you'd like to read more about qualifying events, here's the link to the official website:

<http://www.coveredca.com/individuals-and-families/getting-covered/special-enrollment/qualifying-life-events/>

El Camino Hospital and Anthem Blue Cross Agree on Network Contract

Blue Cross and El Camino Hospital reached a multi-year agreement effective June 1, 2016. The hospital is in the HMO, PPO and EPO networks again.

For those who received services between March 1, 2016 and May 31, 2016, the contract is not retro-active. Please contact Blue Cross to determine how charges were processed on your account.

Carrier Contact Information

Carrier	Phone	Website
Anthem Blue Cross	800-333-0912	Anthem.com/ca
Blue Shield	800-393-6130	Blueshieldca.com
CIGNA	800-244-6224	Cigna.com
Covered California	800-300-1506	Coveredca.com
Health Net	888-926-4988 for Covered CA plans 800-522-0088 for plans outside of Covered CA	Healthnet.com
Kaiser	800-464-4000	kaiserpermanente.org