

# In The Know...

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## Welcome

Welcome to the fourth edition of our newsletter! We are continuing our effort to deliver to you an issue containing helpful health information. If there is a topic you would like to see covered, please let us know and we will be happy to include it in a future issue.

This newsletter will be published on our website and can also be received via email. If you, or someone you know, would like to receive new issues via email, please sign up on our website, <http://www.bpaco.com>.

If you have any questions or comments regarding this newsletter, please contact us at [newsletter@bpaco.com](mailto:newsletter@bpaco.com).

## Generic vs. Brand-Names: Same Medicine, Less \$\$\$

Why spend more money than you have to for your medicine? That's what you may be doing if you're not using generic prescription drugs.

Generic drugs:

- ✓ Are as effective as brand-name drugs
- ✓ Work just as well as brand-name drugs
- ✓ Are rigorously tested and are as safe as brand-name drugs
- ✓ Usually cost much less than brand-name drugs

A generic drug may look different in terms of the size, color or shape, but it is an equivalent copy of its brand-name counterpart.

You can help control health care costs by using generic drugs instead of brand-name drugs whenever possible. In most cases,



your cost will be lower if your medicine is a generic drug. Ask your doctor if a generic drug is available for any prescription medication you take.

Pharmacies have also begun to offer low-cost generic prescription drug programs to help offset the high cost of prescription drugs. Using these programs to fill your prescription can help you save even more money.

Two of the best known programs are Wal-Mart's \$4 Generic Drug Program and the Target Pharmacy \$4 Program. To find out more information such as the drugs available through these programs and any limitations, please follow the links below.

Wal-Mart \$4 Generic Drug Program:

<http://www.walmart.com/>

Follow the links to *Pharmacy > Generic Drug Program*

Target Pharmacy \$4 Program:

<http://www.target.com/>

Follow the links to *Health > Pharmacy+Prescriptions > Generic Drugs Now \$4 Each*



## Health Care More Affordable and Flexible

*Information provided by the US Treasury Dept*

"Health savings accounts are improving the way Americans obtain the care they need. This bill makes HSAs more flexible and makes it easier for participants to put money aside for their personal health care," said Treasury Assistant Secretary for Tax Policy Eric Solomon. HSA provisions of the Act include:

- **Allow rollovers from health FSAs and HRAs into HSAs through 2011.** Employers can transfer funds from Flexible Spending Arrangements (FSAs) or Health Reimbursement Arrangements (HRAs) to an HSA for employees switching to coverage under an HSA-compatible health plan. The amounts rolled over to HSAs from FSAs or HRAs are over and above the amounts allowed as annual contributions.
- **Increase in annual HSA contribution.** Previously, the maximum HSA contribution was the lesser of the deductible of the individual's HSA-eligible plan or a statutory maximum. The new rules make the limit the statutory maximum contribution, regardless of the individual's deductible.

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- **Full HSA contribution regardless of month individual becomes eligible.** Normally, the HSA contribution is pro rated based on the number of months that an individual during the year a person was an eligible individual. The new provisions provide an exception to this rule that will allow individuals who become covered under an HSA-eligible plan in a month other than January to make the maximum HSA contribution for the year based on their coverage in the last month of the year.
- **One-time transfer from IRAs to HSAs.** The new rules allow for a one-time contribution to an HSA of amounts distributed from an Individual Retirement Arrangement (IRA). The contribution must be made in a direct trustee-to-trustee transfer.
- **Certain FSA coverage treated as disregarded coverage.** Under previous law, if an FSA had a grace period following the end of the plan year allowing participants to incur additional reimbursable expenses, participants were treated as having disqualifying coverage, reducing their HSA contribution for that year, even though they had switched to HSA-eligible coverage at the first of the year. The new rules treat certain FSA coverage during a grace period as disregarded coverage, eliminating any resulting reduction in the HSA contribution for the year.
- **Earlier indexing of cost of living adjustments.** Previously, indexing was based on a 12-month period ending on August 31. The new rules change the base period to the 12-month period ending on March 31 and require that adjusted amounts for a year be published by June 1 of the preceding year.
- **Allow greater employer contributions for lower-paid employees.** Previously, employer contributions under the comparability rules had to be the same amount or percentage of the deductible for all employees with the same category of coverage. Consequently, employers could not contribute higher amounts to lower-paid employees. The new rules provide an exception to the comparability rules allowing employers to contribute more to the HSAs of non-highly compensated individuals.

## HRA and HSA Plans Gaining Market Share

Several local employers have switched from traditional health insurance plans to H.R.A (Health Reimbursement Account) and H.S.A. (Health Savings Account) plans over the past year. The reasons vary from employer to employer, but driving cost from their bottom line is the most common reason. These accounts have gained popularity because some insurers are making their high deductible plans more user friendly and offering additional preventative benefits to members at little or no cost. There are also insurers offering financial incentives for members to create healthier lifestyles and to exercise more frequently with the expectation that healthier living will lead to fewer claims.

The basics of HSAs are really very simple. They offer a health insurance plan as well as a savings vehicle. The health insurance plan is a much higher deductible major medical plan with fewer bells and whistles, such as office co-pays, drug co-pays, and low



deductibles. By increasing the deductibles and stripping these policies down, the monthly premium rates are typically significantly less than traditional plans. The savings plan is a pre-tax savings account in which all medical expenses are paid with pre-taxed dollars. What many employers and insurance brokers are now doing is encouraging their employees to save the difference in premium from the traditional plan in an HSA for future medical expenses.

Why these plans have failed in the past is primarily because the savings accounts were never funded. If employees just pocket the premium savings, they will have a plan they won't like if they ever require medical services. However, many employees are finding that the HAS accounts actually cost them "FEWER" out of pocket dollars than the traditional insurance plans when the accounts are funded.

Make sure to explore all of your options when deciding on your employee benefits provider.

## 10 Spring Cleaning Tips for a Healthier Home

*Information provided by MedicineNet.com*

Some of the tasks that you can perform during your annual spring cleaning may actually improve your family's health. The following ten spring cleaning activities will help make you, and your home, healthier and safer:

1. **Thoroughly dust your home** and clean air conditioning and heating filters, ducts, and vents to decrease your exposure to pollens and other airborne allergens.
2. **Organize your medicine cabinet**, discarding expired medications and old prescription medications no longer in use. You'll reduce your chances of becoming victim of a medication error and gain some storage space.
3. **Check the garage and basement** for old cans of paint, thinners, oils, solvents, stains, and other forms of "toxic" trash. Call your city or county sanitation department to find the location of the hazardous waste drop-off center, and get rid of anything you're not going to use.
4. **Likewise, check under the sink and around the house** for old, potentially toxic cleaning products and dispose of these.
5. **Have your chimney professionally cleaned** - you'll reduce the chances of carbon monoxide exposure from your chimney when it's fire season again.





6. **Clean all mold and mildew from bathrooms and other damp areas with non-toxic cleaning products.** Mold is a fungus which can trigger allergic reactions in susceptible people.
7. **Check your rugs to be sure that rugs on bare floors have non-skid mats.** Older mats that have become dusty may need to be washed or replaced to provide effective protection from falls. Outfit your bathrooms with non-skid bath mats.
8. **Inspect outdoor playground equipment** and be sure that it remains sturdy and in good repair. Pay particular attention to guardrails, protruding bolts, and other potential sources of injury.
9. **Change the batteries in your smoke detector and carbon monoxide detector.** Carbon Monoxide poisoning is almost always preventable. Monitors with an audible alarm are inexpensive and readily available for self-installation in the home. The US Consumer Product Safety Commission (CPSC) has worked with Underwriters Laboratories (UL) to help develop the safety standard (UL 2034) for these indoor detectors/alarms. CO alarms should be installed in every home in the hallways outside of each sleeping area.
10. **Collect old batteries throughout the house for disposal** in a battery recycling or hazardous waste center.



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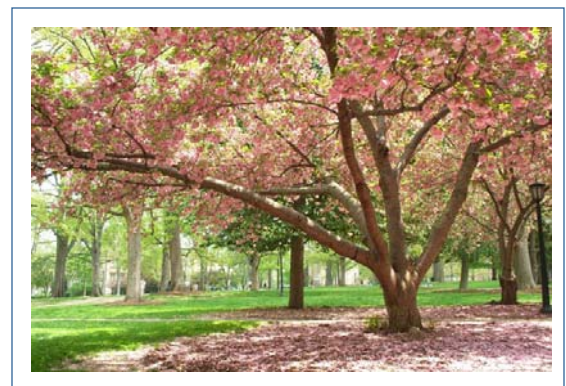
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*Enjoy Spring Everyone!*