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# Health Insurance Limbo

**HEALTH INSURANCE TODAY** is in “limbo”, defined as an intermediate or transitional place, a state of uncertainty. Governments, insurance companies, agents, medical practitioners, businesses and employer groups as well as individuals, families and seniors will all be affected as the limbo situation resolves itself. In the months to come, we’ll all need heightened awareness of the issues.

## Be Aware

As of this writing, the COBRA subsidy for people involuntarily terminated from mid- and large-sized employer groups was set to expire at the end of 2009. Has it been extended? The cost and choice of health insurance for many in Scottsdale and thousands throughout Arizona will be greatly impacted by how the COBRA premium subsidy extension legislation resolved in late 2009.

Other examples include KidsCare and Medicare. Is our state able to afford to continue to fund the KidsCare program for all who need it? Will the private alternative Medicare Advantage plans be legislated so they have higher premiums, lower benefits, and fewer choices? There are tens of thousands of additional Arizonans on these plans. Keep up with newspaper coverage to educate yourself about the changes being debated.

## Be Prepared

First of all, everyone should expect to pay more. Medical inflation and increased utilization continue unabated and haven’t been offset by technological or other cost reductions. We also know that health insurance costs more as we age. The premium rate increases have been and will continue to be relentless. When I look at the dozens of employer group renewals that came across my desk, I see very few single-digit percentage rate increases. The majority of hikes are in the teens, twenties or even higher percentages.

Secondly, be prepared for complexity. Government programs are always complicated and laden with rules, exceptions, guidelines and forms. Congress routinely drafts bills that are more than 1,000 pages. To get an idea of how complex the changes will be, think of the tax code, mortgage processes and retirement plan rules.

## Be Flexible

“The need to be flexible impacts insurance companies, hospitals and medical providers, and just about everyone,” says Steve Macias, market practice leader for small business sales for Humana of Humana. “For example, insurance companies that develop transactional expediency and multi-product solutions will have

improved odds to prosper. Business plans for all insurance and medical-related businesses should be adjusted to include a flexibility strategy.”

Health insurance may break toward individual mandates with weak enforcement or toward employer-sponsored solutions. The public option and marketing health insurance plans across state lines are also being discussed as solutions. Watch and be prepared to react to changes as they are phased in.

## Be Healthy

“Health is so much more than health insurance,” says Dr. Barbara Oxley of Bethany Ranch Home. “Everyone should maintain good diet and regular exercise. Laughter, friends, family and relationships lead to a quality of life and help physical, spiritual, emotional and mental wellbeing. These are in your control and not in the control of any insurance company or government. It’s a new year and time for all of us to take charge, be responsible, and be as healthy as we can.” ■

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