



MIDWEST BENEFITS, INC.

GROUP BENEFITS CONSULTANTS, INC.

“Specializing in employee benefits”

Greetings!

February 14, 2003

This is the first of a new series of client updates meant to keep you informed of the many changes in the administration of your plan and changes occurring in health care in general.

HIPAA and the Privacy Act – All self-funded clients have or will be receiving the necessary forms ready for signature to be compliant before the April 14th deadline. Additionally we will be providing instruction and guidance. Internally, we have a staff training program devoting time to meet the numerous requirements we have. We have retained one of the top legal firms in the country to ensure everything is in order.

Eldorado ASP – As you may know we utilize the Eldorado Claims System, the most widely used system in the industry. Very soon we will be converting from the in-house system we now use to Eldorado’s Application Service Provider (ASP). All our data will be held on very powerful and secure servers in Phoenix. This arrangement will provide for HIPAA compliance, improved warehousing, and timely maintenance of the system. Our claim analysts will be processing through a Virtual Private Network on a high-speed internet connection.

HRA’s – Health Reimbursement Arrangements received the blessing of the IRS. Combining an HRA account with a high deductible medical plan offers the possibility of limiting increases in health insurance. Our resident expert, Rachel Narum, has studied this carefully. Contacts have been made to the SPBA (our professional organization), the IRS, Department of Labor, and a leading benefit consulting firm. If you would like more information on how this approach may save money and give employees new options, contact Rachel.

USERRA – You may have employees getting activated for military service. Remember the Uniform Services Employment and Reemployment Act of 1994 applies to all employers. It gives COBRA-like rights and other rights to these service people. Call Jeanette in our office if you have questions regarding this.

We will be making many enhancements this year for your benefit. As always, customer service and client satisfaction are the driving forces behind how we do business. Because of this, our decision to invest heavily in technology, resources and training was a simple one.

If you have any questions, please do not hesitate to contact our office.

Loren Kiel