

JDI Prospective

Inside this issue:

Attention Shoppers 2

Have You Protected Your Most Valuable Asset? Continued 2

Cover Story Continued 3

Contact Information 4

About US 4

Ready or Not, Here They Come: Health Savings Accounts are latest and greatest...

Whether you love them, hate them, or don't know anything about them, Health Savings Accounts (H.S.A.'s) are the health insurance industry's latest and greatest answer to help solve the crisis of runaway health insurance premiums. H.S.A's were established when President Bush passed the Medicare Modernization Act in December of 2003.

Health Savings Accounts are arrangements that allow eligible individuals to accumulate tax-free money to pay for qualified health expenses. Both individuals and employers can contribute to the H.S.A.'s and the

money in these accounts can accumulate tax-free interest as well. The money in the account is the individual's money, is completely portable and can roll-over from year to year.

In order to contribute into the H.S.A.'s, you must be enrolled in a qualified "High Deductible Health Plan." A High Deductible Health Plan (HDHP) must meet certain requirements as established in the legislation. The HDHP must have a minimum deductible amount of \$1,050 for Individual Coverage and \$2,100 for family coverage in 2006. The



maximum out-of-pocket expenses must be no more than \$5,250 and \$10,500 for individuals and families respectively in 2006. These amounts (continued on page 3)

Organizational Update:

JDI is pleased to announce the promotion of Mindy Levine to Customer Service Manager. Mindy has over 20 years of experience in Human Resources and Customer Service Management.

Have You Protected Your Most Valuable Asset?

According to a new survey by the non-profit LIFE Foundation, 70% of working American adults say they could not afford to take off one month or less of unpaid vacation before everyday expenses would force them to return to work. Nineteen percent of the re-

spondents said that two weeks would be the most they could afford to take off and not get behind on their bills. The same number of respondents said they could not afford to take one week off, while eight percent said they could not afford to take any time off.

So, why is it that most of us do not insure our ability to earn a living? "The reality is that most Americans lack the financial cushion necessary to weather an unexpected disability—which might stop your paycheck, but won't stop your (continued on page 2)

Attention Shoppers: Your Appointment is Ready



Coming to a store near you!

About 100 of these clinics are operating across the country, but hundreds more are in the works...

If you haven't seen them yet, you will. Walk-in health clinics are popping up across the country at retail stores including Wal-Mart, Target, CVS, Publix and others. These clinics typically lease space from their host stores and allow customers to see a nurse practitioner for routine services. The prices for these routine services are listed and the customer can conveniently fill their prescriptions at the host store's pharmacy.

About 100 of these clinics are operating across the country, but hundreds more are in the works. Many entrepreneurs have recognized the need for a more consumer friendly option for accessing basic healthcare. Not the least of which is Steven Case, the former AOL chairman. According to Case, "Starbucks has 10,000 locations; healthcare is certainly more important." Case, along with some other

high profile executives, is now betting that his RediClinics at Wal-Mart, Walgreens and other retailers will be the next big thing. Mr. Case's company, Revolution Health Group, has 11 RediClinics now running, but plans to open 90 others in various retail chains by the end of the year and 500 within three years.

These clinics are welcomed by most insurers as a way to save money. The consumers benefit from convenience and lower costs in an environment where they are responsible for more of their own healthcare costs. The uninsured typically find the clinics more affordable than most other alternatives. Even some family physicians say the clinics have their place in modern healthcare. Uwe Reinhardt, a professor of economics at Princeton University, says that "Primary Care is a neglected field in the United States, lagging other economically advanced countries. The

clinics can teach the rest of our health system how primary care could be done and brought to the public."

Of course, there are some doctors who are not so fond of the clinic arrangements. They stress the need for patient safety and a family physician who gets to know the family and keeps a complete health record that can help determine the underlying cause of the ailment. Although some physicians are fearful of losing business to the clinics, others agree the clinics can fill a need if they stick to a limited scope and provide care to those who are mildly ill.

Our research did not uncover when these clinics will be opening in South Florida, but it is likely just a matter of time. So the next time you are shopping, don't be surprised if you see a clinic next to the pharmacy.

Have You Protected Your Most Valuable Asset? (continued from page 1)



bills," said David F. Woods, President of the non-profit LIFE Foundation. "People don't think twice about insuring their home or their car, but millions overlook the importance of insuring their most valuable asset, their ability to earn a living. Having the right amount and kind of coverage in place can make the difference."

Studies show that one out of every three workers over the age of 30 will have a disability for three months or more at some point in their career. Most insurance carriers will offer a Long-term Disability (LTD) or Short-term Disability (STD) plan on a voluntary basis as long as the group has a minimum of 10 employees

enrolled. As an employer, you can help your employees by offering LTD and/or STD on a voluntary basis and allow the employees to pay for it. As an American worker, we simply can not afford to go without our income. So, we must insure our most valuable asset.

Comparison of Different Health Savings Arrangements:

	HSA	HRA	Health FSA
Program Sponsor	Individuals & Employers	Employer Program Only	Employer Program Only
Health Plan Requirements	IRS qualified High Deductible Health Plan required	None required by IRS Typically sold with a higher deductible health plan	None Can be sold with any health plan(s)
Account Type	Employee trust or custodial	Employer notational account	Employer notational account
Contributions	Employers and/or individuals, up to IRS limits. Contributions & investment earnings are tax-free	Employer contributions only. Tax deductible by employer.	Employers and/or employees may contribute. Tax deductible by employer, pre-tax to employees.
Distributions	Tax exempt for QMEs. Taxable + 10% penalty for all other withdrawals.	Tax exempt for Qualified Medical Expenses.	Tax exempt for Qualified Medical Expenses.
Rollover	Yes	Yes	No
Portability	Yes	No	No
Validate Expenses	Individual's responsibility	Third-party administrator	Third-party administrator
Administration	Provided by a qualified financial institution	Provided by employer or Third-party administrator	Provided by employer or Third-party administrator

Ready or Not, Here They Come: Health Savings Accounts (continued from page 1)

increase each year based on the change in the Consumer Price Index. With the exception of "Preventive Care", the HDHP cannot have any coverage until the deductible has been met. The health insurance carriers have specific plans that are H.S.A. qualified plans.

According to a recent study conducted by Deloitte Consulting, almost one out of four large employers has made a consumer-directed health option available to employees. More than 40% of employers say account-based plans are the most effective way to manage coverage costs while maintaining quality of care. According to the same survey, premium increases for consumer directed plans are expected to increase an average of 2.6% while more traditional managed care plans will jump at least 8% in 2006. As a result, 70% of the responding employers say they are considering a consumer-driven option in the next 5 years.

The number of people enrolled in H.S.A. plans tripled during 2005, from 1 million to 3 million, according to America's Health Insurance Plans, a Washington, DC, industry group. The adoption of H.S.A.'s has been



slower among smaller employers with 10 to 49 workers. According to a Mercer study, just 2% of these employers have adopted a consumer-directed plan. This can be explained by the fact that larger companies can offer these plans as one of several options to choose from. However, most carriers are now allowing small employers to offer H.S.A. plans and other consumer-directed options along with one or two other plans. So, we should see the adoption rate increase dramatically for small employers as well. So, ready or not, here they come...

For More Information on HSA's:

Go to the US Treasury's website: www.treas.gov and click on Health Savings Accounts

North Palm Beach:

Golden Bear Plaza
11770 US Highway One
Suite E-308
N. Palm Beach, FL 33408

Phone: 561-694-2505
Fax: 561-694-2138

Ft. Lauderdale:

One River Plaza
4 West Las Olas Blvd.
Suite 402
Ft. Lauderdale, FL 33301

Phone: 954-524-4896
Fax: 954-524-9812

Miami:

Ponce De Leon Plaza
2121 Ponce De Leon
Suite 408
Coral Gables, FL 33134

Phone: 305-441-9661
Fax: 305-441-9691

Toll Free Phone: 800-832-1018
Toll Free Fax: 800-832-9152

Contact our Vice President of Sales, Chris Woertz, at 954-524-4896 for additional information, quotes or to set up a meeting to evaluate your employee benefits.

Or, send an email to: Chris@JordanDynamics.com

Coming Soon! www.JordanDynamics.com

Jordan Dynamics, Inc. specializes in Employee Group Benefits, Plan Administration and Human Resources Consulting. Our clients recognize JDI as a leader in providing reliable, proactive and exceptional customer service. We offer custom solutions designed to give you the best employee benefits for your unique needs. We are devoted to customer service, outstanding administration, and long-term relationships.

JDI was founded by Donna Jordan Cullity in 1993 and services over 200 employer groups. We have three locations across South Florida. As your group benefits agent, JDI helps you develop and maintain high quality benefit programs to retain and reward employees. To stay current with the changing legislative landscape surrounding regulation and compliance issues, we also offer a full range of human resources consulting services, from customized training programs to the outsourcing of standard Human Resources functions.

JDI

Jordan Dynamics, Inc.
4 West Las Olas Blvd., Suite 402
Fort Lauderdale, FL 33301