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# Benefit May 2014 Insights

A Newsletter for Clients and Friends of  
Century Benefits Group, Inc.

## Insurance Agents vs. Payroll Providers - Who Do You Want to Call When Your Business is On The Line?

For many years, insurance agents and brokers have worked side-by-side with payroll service providers, cooperating and combining their separate skill sets for the benefit of their small business clients.

In recent years, as competition tightened across the board, we have seen an increasing movement on the part of payroll service providers to offer services and products and solutions that have traditionally fallen under the purview of the insurance agent.

Payroll service providers in many cases bring the advantages of economies of scale and a seamless integration with payroll software currently in place. After all, it's their program!

And so we are seeing payroll providers call on business owners to offer things like workers compensation quotes, business and umbrella coverage, and other basic programs.

But insurance is much more than a matter of providing a quote. The most suitable plan for small business owners is rarely the cheapest. Insurance planning is a matter of using multiple insurance products and solutions in combination to protect the unique risk profile of the client - whether that client is a business, the business owner, or an employee and his or her family.

It's a matter of core competencies. Payroll service providers are experts at efficiently moving dollars between

accounts via sophisticated computer programs. But very few payroll providers understand your people like an experienced insurance agent.

By the time a typical insurance agent becomes a multi-line benefits broker with a sizeable small business clientele, he or she has generally done hundreds, if not thousands, of detailed fact finders not just with business owners, but with workers just like your employees and families just like those of your employees - at the individual level.

He or she has asked them what happens if the breadwinner dies tomorrow? What happens if the breadwinner or a stay at home spouse becomes disabled

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### Welcome to the Century Benefits Group, Inc. Newsletter!

It is with great satisfaction that we bring this newsletter to you. In this issue and in coming months, we will discuss pertinent health insurance and employee benefit topics which may affect your organization. Our firm works in the areas of Group employee benefit plans, including group health, dental, disability, life and vision plans. Due to changes in the healthcare reform act we now also provide individual health and dental insurance as well. We are appointed with every health insurance company in New York State and certified to work within the New York State health insurance marketplace (health insurance exchange) as well as the Federal health insurance marketplace. We also provide Group and individual Medicare and Part-D Plans along with Group 401(K) retirement Plans. We work with individuals, small and mid-sized companies, non-profit organizations and municipalities. Our goal is to provide excellent service, competitive pricing, and products tailored to meet the special needs of each client. If your email or mailing address changes please let us know so we can keep you informed on future developments regarding employee benefits. We sincerely hope that you will find this newsletter informative and please do not hesitate to contact us should you have any questions or needs.



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# 10 Tips for Saving Money on Prescription Medications

Prescription drug commercials do a good job of making everything about the products seem good. However, the prices actually wind up being much higher than many seniors can afford. There are several ways to save money on prescriptions.

## 1. Coupons

Pharmacies and discount stores take the time to send out quite a few coupons, so it is a good idea to make use of them. Searching online is even easier, and there are many apps such as GoodRX that help seniors find the best drug prices and pharmacies near them. Price comparison apps also exist. While shopping at the pharmacy, ask about a discount card. Most large pharmacies offer these to help customers save even more.

## 2. Generics

Nearly 80 percent of prescriptions today are written for generics. These are bio-equivalent drugs for the name-brand ones. However, they cost between 80 and 85 percent less than their name-brand counterparts. Experts estimated that buying generic drugs saved Americans a total of about \$3 billion every week in 2010. Also, the 17-year patents that exist on many big-name drugs will end during the next several years. When this happens, it will be easier to find generics for several drugs that did not have these options in the past.

## 3. Tests

Another good way to ensure a drug is more useful than harmful without investing a lot is to ask the prescribing physician for a free sample. They often have trial packages with enough to last for 10 or 14 days, so this helps patients decide if a med is right for them. If it works well, use that time to also search for long-term discounts. There are often free trial offers from drug manufacturers in magazines or online.

## 4. Government Programs

There are drug assistance programs provided in many states to help seniors pay for the gap between what is covered and what they must come up with out of

pocket. There are programs for Medicare Part D in addition to resources for finding treatments. The Medicare site offers more information about these.

## 5. Pill Splitting

Buying pills that can be cut in half will help save money, so ask a physician if a particular prescription is appropriate for this. If the pill is coated or is a time-release capsule, avoid doing this. This can be difficult with small pills, but pharmacies sell pill cutters that are tapered to cut many different sizes of pills.

## 6. OTC Drugs

Doctors may recommend over-the-counter drugs in some situations. For example, a doctor may decide that an over-the-counter allergy substance will work instead of a prescription one for a senior. Be sure to ask about this any time a physician prescribes something new.

## 7. Patient Assistance Programs

Nonprofit organizations and pharmaceutical companies sometimes provide discounts or grants to people who need financial help. Needymeds.org is one option, and discuss other options with an agent.

## 8. Order By Mail

Costs can be reduced by ordering long-term supplies by mail. Avoid shady companies on the Internet that cannot be verified, but use the resources provided by the National Association of Boards of Pharmacy. Sites listed with this organization have been inspected and verified for quality practices and upholding the highest standards. When shopping online, watch for the VIPPS seal.

## 9. Shop Local

Ask local friends, relatives or health care providers where to find the best prices. Many pharmacies are willing to offer seniors lower prices in exchange for a loyalty commitment. Keep in mind that they desire repeat customers and a long-term business relationship.

## 10. Wholesale Clubs

Costco and other wholesale clubs

**Saving money on prescriptions takes some research and invested time, but it is well worth every minute.**



offer discounted prices for members' prescriptions. In some cases, wholesale clubs may not require membership to purchase drugs there. This is often a good way to save a great deal of money.

Saving money on prescriptions takes some research and invested time, but it is well worth every minute. To learn more about options, discuss concerns with an agent.

# Health Insurance is a Complicated Purchase

When President Obama said that buying health coverage would never be comparable to buying music from iTunes, the National Association of Professional Insurance agents agreed he was right in the respect that it is a much more difficult transaction. The remark was made during an hour-long press conference when he tried to explain the many problems connected to launching the Affordable Care Act.

A PIA representative said that while many independent agents would disagree with the type of reform seen so far, President Obama made several good points about insurance's nature. The representative said that while he was surprised at the president's admission that his administration was still figuring out how complicated insurance was to buy, he and other experts have been stressing this point all along. Critics say that the last-minute admission about this problem was very disappointing considering the many former regulators and other highly-qualified individuals he appointed in the Department of Health and Human Services to assist.

During the press conference, the president also said that part of what was being realized was that there would be a percentage of people who were going to require more help during the application process. Experts point out that they have the training and knowledge needed to help counsel and guide people through the process of buying insurance. Independent agents are able to help people with making choices and can offer even more options that might not be offered online through the ACA site. They stress the importance of picking the right

policies, and they point out that it is a complex process that is not comparable to buying a book or music online. As they say, insurance is not a commodity, and it should never be treated as such when people are comparison shopping. The HHS navigators are now just discovering this, so they may not be able to help people as much as an independent agent can help.

Many brokers and agents are licensed by state insurance departments and have taken all of the necessary steps to become certified in assisting people when they want to enroll in new health plans. These agents will also be able to make consumers aware of any additional choices that are not offered through exchanges. The navigators appointed by the government are not licensed, so they are not held to the same high standards independent insurance agents must abide by. Agents are also required to carry professional liability coverage and comply with a long list of regulations and state laws. Consumers must make

smart choices when it comes to insurance, and this is especially important with all of the continuing confusion surrounding the new health insurance laws. To learn more about options, discuss concerns with an agent.



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tomorrow? How will college be funded? How will the healthy spouse, or a surviving parent, continue to work and manage child care and home duties at the same time?

Asking these difficult questions at the individual family level, and sensitively designing insurance solutions for your workers families as well as for your own needs as a business owner or principal.

There is nothing in any payroll company's list of core competencies that is a substitute for what insurance agents do best - protect people.

Another core competency is in the area of specialty lines - some of which few people outside of veteran property and casualty agents have even heard of.

Is your business in an antique building? Do you need specialized errors and omissions coverage? Do you have unique concerns about wildfires, flooding and contents coverage? Directors and Officers liability? Do your employees ever drive their own cars on company business? If the answer to any of these three questions is "yes," you may need some special underwriting attention from a veteran agent who has shepherded cases through underwriting and managed claims many times before, at multiple insurance carriers.

That's when your relationship with your insurance provider matters the most - when the chips are down and everything is in crisis and when all seems lost. When you pick up the phone, do you want to call the agent who lives, eats and breathes insurance? Or do you want to talk to someone for whom insurance is merely a sideline to their payroll processing business.

The difference is clear - when the claim is on the line, you want an insurance professional handling it. Not a payroll vendor.

# Working with an Agent Instead of a Navigator has Multiple Benefits

Millions of people will be purchasing health insurance through marketplaces, which are part of the Affordable Care Act provision. In doing this, some consumers face problems with program access due to site failures on the Internet. One option most people forget about or are not told is available is the opportunity to purchase coverage through an agent or broker. These professionals can provide enrollment assistance and valuable advice, and they are able to answer most questions.

There are also navigators, which are not the same as professional brokers and agents. Navigators are paid by the government, and they are not able to provide as much assistance as a broker or agent could. These navigators are prohibited by law to make recommendations or give advice about policies. In the majority of states,

navigators do not have to be licensed, and they do not have to comply with the same continuing education requirements that professional agents are required by law to meet. In addition to this, navigators are not required to keep the professional liability coverage that agents must purchase.

Most independent brokers and agents have been trained to provide assistance to people who are trying to enroll in health plans. They are also able to make consumers aware of options that are not offered through exchanges. Experts point out that choosing a health plan is a serious step that should involve research. It should not be the same as going online and purchasing commodities. Buying inadequate coverage could cost a person his or her life or life savings if something goes wrong.

In addition to the problems consumers could face if they use navigators, experts point out that navigators cannot provide prompt assistance. With the many site issues online associated with the enrollment page, there is a backlog of people waiting for help. About \$67 million was put into funding the enrollment efforts, but navigators still have to wait for issues to be fixed despite this investment. As they continue to sort through the piles of paper applications, they will slowly be able to provide limited help to consumers. People who are concerned about obtaining coverage in the time allowed will have better luck talking to a professional broker or agent. Since there is not a great deal of time left to purchase coverage, it is important to contact an agent as quickly as possible to discuss concerns and ask questions.



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