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# News You Can Use

SEPTEMBER 2003 Volume 2, Number 8

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## *Bowling for Angels* Bowl-a-thon

Limited lanes remaining!

Saturday, October 4<sup>th</sup>  
12-4pm

Mid-City Rock'n' Bowl Lanes

**Key Sponsor: \$250**

Includes your company's name above a lane and a team of 4 bowlers

**Team of 4 Bowlers: \$100**

Includes admission and shoe rental for 4 bowlers

**Lane Sponsorship: \$100**

Includes your company's name above a lane

Don't like to bowl? Come watch the fun!

**Jambalaya, Cokes, Beer & Fun for the  
Whole Family!**

Adults: \$10  
Children: \$5

## IMPORTANT NOTE:

**Continuing Education Certificates for 2002 and through June 2003 will be available for pickup at the September 12th meeting. Those that are not picked up will be mailed shortly thereafter.**



SEPTEMBER  
BREAKFAST MEETING

***The Future of Health Care***

Featuring

**Bobby Jindal**

*Louisiana Gubernatorial Candidate*

September 12, 2003

9am Registration/ Breakfast  
9:30am Meeting starts

Andrea's Restaurant

**RSVP:**

\$18 Members  
\$25 Non-Members

**At the Door (if space available):**

Angels' Place is a non-profit organization that provides hospice and respite care to terminally-ill children and their families at no cost.

[Click here for more info or registration form.](#)

\$23 Members  
\$25 Non-Members

RSVP to [rsvp@noahu.org](mailto:rsvp@noahu.org)

\*\* Members will get 1 hour of CE free of charge (applied for). Non-Members can purchase 1 hour of CE for \$20.\*\*\*

Please cancel at least 24 hours in advance or you will be billed for your reservation.



NAHU President Tom Kaufman Addresses Attendees

## Region 6 Leadership Conference a Big Hit for Attendees!

Over 110 NAHU members from Louisiana, Arkansas, Kansas, Missouri, Oklahoma, and Texas came together in New Orleans on August 22-23, 2003 for the Region 6 Leadership Conference. The event focused on training incoming chapter officers and future leaders on the fundamentals of the organization. We were honored to have several NAHU Board of Trustees in attendance. NAHU

President Tom Kaufman (CA) addressed the attendees on the state of NAHU and what he hopes to accomplish during his term. President-Elect Trei Wild (TX) led an informational training for executive officers. Vice-President John Nelson (CA) took part of a panel on NAHU's legislative agenda and Kimberly Martin (NC) led an interesting session on recruiting and retaining members. Leading all of the sessions were NAHU Secretary, and outgoing Region 6 Vice President, Beth Ashmore (TX) and current Region 6 Vice President Mike Stephens (OK).

Everyone in attendance had a wonderful time and will certainly enjoy coming back to New Orleans in the future. A big thank you goes out to the Organizing Committee for all of their hard work planning the event for the past year: Jennifer Toups, Christine Buras, Stephanie Booth, Terri Adams, Beth Ashmore and Mike Stephens.

Also, a huge thank you to all of the sponsors of the event for their continued support. The Premier Sponsor was United Healthcare. Partner Sponsors were PPOplus, American Lifecare and Ameritas Group Dental.

[Check out pictures from the conference by clicking here.](#) The 2004 Region VI Leadership Conference will take place in St. Louis, Missouri next August.

## Over-the-Counter Drugs To Be Covered by Health Care Flexible Spending Accounts

IR-2003-108, Sept. 3, 2003

WASHINGTON — Today, the Treasury Department and the IRS announced over-the-counter drugs can be paid for with pre-tax dollars through health care flexible spending accounts. Treasury and IRS issued guidance clarifying that reimbursements for nonprescription drugs by an employer health plan are excluded from income. Thus, reimbursements by health flexible spending arrangements (FSAs) and other employer health plans for the cost of over-the-counter drugs available without prescription are not subject to tax if properly substantiated by the employee.



"Flexible Spending Accounts are an important tool in helping people meet their health care costs," stated Treasury Secretary John Snow. "Since many prescription drugs have moved to the over-the-counter market, this action

today makes paying for them a little bit easier to swallow."

"Flexible Spending Accounts were established under the tax code to provide incentives for better health care," said IRS Commissioner Mark W. Everson. "This action is a sensible expansion and simplification of the program consistent with existing law."

Drugs are increasingly becoming available over-the-counter without prescription. Many health plans no longer cover the cost of these drugs as over-the-counter. While an over-the-counter drug is less expensive than the prescription drug, the cost to many consumers increases because the price paid by the consumer for the over-the-counter drug is greater than the co-payment by the consumer when the drug was covered by insurance. This is especially an issue for individuals who remedy chronic health problems by regularly taking an over-the-counter medicine.

Revenue Ruling 2003-102 explains that the statutory exclusion for reimbursements of employee health expenses is broader than the itemized deduction for medical expenses (which does not apply to nonprescription drugs). Thus, the guidance clarifies that employer reimbursements of employee health expenses that are nonprescription drugs, including reimbursements through health FSAs and Health Reimbursement Arrangements (HRAs), are excluded from income like other employer reimbursements of employee health expenses. This will result in savings to consumers with access to employer plans who may purchase nonprescription drugs.

However, for purposes of the itemized medical expenses deduction, the cost of such over-the-counter drugs continues to be non-deductible. In addition, the cost of dietary supplements that are merely beneficial to the employee's health are not excluded from income.



## MAUI Madness!

Members- Don't miss your opportunity to win a trip to MAUI! For a \$20 donation to HUPAC, the Health Underwriters Political Action Committee, you will be entered to win a week in a beachfront condo and roundtrip airfare for two! The trip will be given away at Capitol Conference in Washington DC in March. You don't have to be present to win.

Denny Ebersole, Region VI HUPAC Chair, will be at our luncheon on September 12th with your chance to be on the beach this time next year!



## **From the Top: FCC Postpones Fax Regulations**

by **Kevin Corcoran, NAHU Executive Vice President**

Earlier this week the FCC postponed the implementation of far-reaching regulations that would have required all businesses, including NAHU and its chapters, to acquire express written consent from any individual or company before sending a fax containing an unsolicited advertisement. While the requirement for prior consent has been in place since 1991, the FCC ruled that an established business relationship (EBR) provided implied consent.

The new regulations, set to go into effect on August 25, removed the EBR exemption. These tightened regulations would have dramatically affected both NAHU and our members, as any faxes containing financial transaction information, from premium quotes to chapter meeting announcements, would have required prior written consent from every recipient before being sent.

Following a concerted effort on behalf of the business and non-profit community, an effort in which

NAHU participated, the FCC has postponed the implementation until January 1, 2005, and will review the regulation's impact on the business community.

NAHU had prepared a report, to be distributed to all members this week, with analysis of the new regulations and guidelines for compliance. This report is now moot, pending the FCC's review. For your information, the report is posted on our website at [http://www.nahu.org/chapters/tools/fax\\_consent\\_report.doc](http://www.nahu.org/chapters/tools/fax_consent_report.doc).

We will continue to monitor the situation and keep our members apprised as to its progress, and steps you can take to influence the FCC's decisions.

## Legislatively Speaking

*by Tom Bruderle and Janet Trautwein / NAHU Government Affairs*

This may be the best opportunity in 20 years to pass some sort of meaningful Medicare Reform, but it won't be easy. Both sides have dug in their heels and the Conference Committee that's charged with finding a happy medium between the House and Senate bills really has its work cut out for it.



In the September HIU we're running copies of two letters on Medicare reform. The first, addressed to President Bush, is signed mostly by Democratic senators and it states what they will and will not accept in a bill produced by the Conference Committee. The second, sent to Speaker of the House Dennis Hastert and signed by Republican House members, details the provisions they are looking for in a final bill.

Congress returns from recess on September 2nd. The Medicare Conference Committee will spend the first weeks of the session considering the compromise proposals drafted by committee staff during August.

On the LTC front, there are now 65 co-sponsors of Representative Nancy Johnson's bill to provide an above-the-line tax deduction for LTC premiums. Senator Grassley's companion bill in the Senate has a half-dozen co-sponsors. This issue will likely not go too far until the table has been cleared of other health care issues.

Another issue to watch is medical malpractice reform. Last month the Senate held a vote to stop considering an energy bill and to take up discussion of Senator Jon Ensign's medical malpractice legislation. The effort garnered 49 votes, 11 shy of the 60 needed to change the floor discussion. On the plus side, however, the effort flushed out those senators who are interested in this legislation and those who may not be. The latest is that the bill may be broken down to initially consider only certain types of physicians. Look for a vote in late September.



## HELP Light the Night!

### Walkers & Volunteers Needed!

Free food, drinks, beer! Live music after the walk!

Friday, September 19th

Zephyr Stadium

5pm Registration/ 7pm Walk

For more information, email [info@noahu.org](mailto:info@noahu.org)



### ***HHS Secretary Thompson, Doctors Team Up for Better Benefits, More Choices in Medicare***

HHS Secretary Tommy G. Thompson is sending the nation's top doctors on a cross-country "Better Benefits Tour" this week to promote the need for strengthening Medicare with better benefits and more choices, including coverage for prescription drugs and preventive care.

"We must keep focus on what is at stake here for America's seniors, which is nothing less than access to modern medicine with modern choices in how it is delivered," Secretary Thompson said. "Medicare is a caring program but it is stuck in 1965. We need to bring Medicare into the 21st Century with coverage for prescription drugs, disease prevention and disease management as well as protection from high out-of-pocket costs. America's doctors speak with the authority of having treated seniors and being the leaders of the government's four top medical and scientific institutions. They also know the importance of giving seniors more choices in benefits packages that best fit their needs."

The Better Benefits Tour takes place as the House-Senate Medicare Conference Committee continues to meet and develop a compromise Medicare bill that can pass both Houses of Congress and be signed by the President. The House and Senate passed separate versions of legislation in June.

The 10 million seniors without prescription drug coverage would be able to cut their drug bills roughly in half under either bill, according to an HHS analysis of the House and Senate legislation. Secretary Thompson said this savings, along with access to coverage for more preventive care and more choices in benefits packages, should provide a powerful incentive for Congress to come together on final legislation.

"We need to finish the job. Seniors are tired of waiting, and with such substantive savings at stake, who can blame them?"

The President proposed \$400 billion to modernize and improve Medicare. The framework he set forth would give all Medicare beneficiaries access to:

- Prescription drug coverage that enables seniors to get the medicines they need, without the government dictating their drug choices.
- Choice of an individual health care plan that best fits their needs -- similar to what Members of Congress and other federal employees enjoy today.
- Choice of the doctor, hospital, or place they want for the treatment and care they need.
- Full coverage for disease prevention such as screenings for cancer, diabetes and osteoporosis.
- Protection from high out-of-pocket costs that threaten to rob seniors of their savings.

The President also wants to make sure that low-income seniors receive additional financial assistance so they will not have to pay more to receive better benefits than they currently do under Medicare.

The most fundamental better benefit being sought for Medicare is prescription drug coverage for beneficiaries, so they have affordable access to modern medicines.

During a similar tour of the country in June, the doctors heard from seniors that protection from the high costs of health care was important so they are not robbed of their savings by a lengthy hospital stay or particularly expensive medicines. This coincides with both the HHS position and the President's framework that provides opportunities to protect seniors from such costs.