



Monthly BROKER NEWS

NOVEMBER 2010

Products and Services

What will you do with your Bonus Bucks?

You help your clients to the right health care solutions, now help yourself too with Health Net's Broker Bonus Bucks program for Individual & Family Plans.

[Read the full article here > >](#)

Industry News and Trends

Urgent Care and In-store Health Care Clinics: Cost-effective Alternatives when Seeking Medical Care

Urgent care and in-store health care clinics – an affordable, flexible way for your employees to get medical care. Get the details on these lower out-of-pocket alternatives.

[Read the full article here > >](#)

Operational and Legislative Update

Health Care Reform Update: New Provisions in 2010

Health Net wants to keep you on top of health care reform changes. Learn about some of the main provisions being implemented in 2010.

[Read the full article here > >](#)

An Update from Bret Morris: Health Net of Arizona Stable and Well Positioned for Growth

Learn about Health Net's third quarter performance.

[Read the full article here > >](#)

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Health Net, Inc.'s HMO, POS, insured PPO, government contracts subsidiaries and behavioral health subsidiary provide health benefits to approximately 11 million individuals through group, individual, Medicare, Medicaid and TRICARE programs. Health Net, Inc. has \$12 Billion in annual revenue.

In Arizona, benefits are insured and/or administered by Health Net of Arizona, Inc. for HMO plans and Health Net Life Insurance Company for Indemnity plans and life insurance coverage. The Health Net of Arizona, Inc. service area includes all Arizona counties. Health Net, Inc. is the parent company of both Health Net of Arizona, Inc. and Health Net Life Insurance Company. Health Net of Arizona, Inc., is a subsidiary of Health Net, Inc. Health Net® is a registered trademark of Health Net, Inc. All rights reserved.

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Products and Services

What will you do with your Bonus Bucks?

You help your clients to the right health care solutions, now help yourself too.

Receive \$100 Per Approved Member!

With competitive rates and a variety of product offerings, Health Net is the right solution for your Individual & Family Plan clients. And right now, the Broker Bonus Bucks program gives you another reason to write more Health Net business.

Broker Bonus Bucks

Sell a minimum of two members per month and you will receive \$100 per approved member. Effective dates of 10/1/2010 through 12/15/2010 qualify. There's no limit.¹

For example:

2 members per month = \$ 200

5 members per month = \$ 500

10 members per month = \$ 1,000

For more information, contact your account executive.

¹ Bonuses will be paid 60 days after the end of the month.

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Industry News and Trends

Urgent Care and In-store Health Care Clinics: Cost-effective Alternatives when Seeking Medical Care

Out-of-pocket costs shouldn't keep anyone from getting the care they need when they need it. That's why Health Net makes affordable medical services available to our members through our contracted urgent care and in-store health care clinics.

Cost-saving advantages are clear

Each year, millions of Americans visit the ER for non-emergency situations. Using urgent care services and in-store health care clinics when appropriate instead of going to an ER has several benefits:

- Wait times are typically shorter.
- Copays are generally lower.
- Facilities are conveniently located throughout the community.

Urgent care centers can be the answer for illnesses or injuries that need care when a family doctor is unavailable after hours or has a full patient schedule. Located throughout the state, each center has experienced, professional staff, most with lab and X-ray right on site. And with no appointments necessary, walk-ins are always welcome.

In-store health care clinics (convenience care clinics) are available in the greater Phoenix and Tucson areas. They're a flexible alternative when seeking after-hours care without an appointment for services, such as minor illnesses, allergies, vaccinations, flu diagnosis, even flu shots, physicals and wellness care. Usually open the same days and hours as the store, locations include CVS and Walgreens, and the Little Clinics in Fry's Supermarkets (Maricopa County only).

Know the difference: emergency vs. urgent care

As your clients' advocate, you can help them understand and be prepared to share with their employees the difference between emergency and urgent care.

- **An emergency** is generally a sudden, serious and unexpected illness, injury or condition,

including severe pain, requiring immediate medical attention. Examples of emergency situations include broken bones, shortness of breath, chest pain and uncontrolled bleeding.

- In emergency situations, members should go to the nearest emergency room or call 911.

- **Urgent care** is a situation that is urgent, but not life-threatening, such as a high fever, cold or flu, minor cuts or sprains.

Important note: Health Net recommends our members seek medical care from their doctor first whenever possible. They'll have a greater sense of comfort and will only pay a doctor office copay. If their doctor is not available or for after-hours care, they should go directly to a contracted urgent care center.

Spread the word

Let's all take this opportunity to encourage and support health care consumer awareness. Let your clients know what they can do to help their employees better understand their medical care alternatives.

To locate a contracted urgent care center or in-store health care clinic, visit www.healthnet.com > *ProviderSearch*. Or click here for Health Net member brochures.

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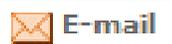
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Health Care Reform Update: New Provisions in 2010

As health care reform and related regulations continue to progress, Health Net wants to keep you on top of the changes. Each month in your broker e-newsletter you'll see an article about the latest ones affecting you and your clients. While many changes won't take place until 2014 and later, here are some of the main provisions being implemented in 2010.

Important Changes Implemented This Year

- **Ban on lifetime limits and restriction on annual limits** – Health plans cannot place lifetime limits on essential health benefits (such as hospital stays) for health plan years beginning on or after September 23, 2010, and may establish a restricted annual limit only on the value of essential health benefits. Ambiguity remains about what an “essential benefits package” includes. More information to come to you as we receive it.
- **Expanded over-age dependent coverage** – Group and individual market plans will increase the age for available coverage of an adult child up to age 26. (In the case of existing group health plans, this right does not apply if the young adult is offered insurance at work).
- **No denial of coverage for children with pre-existing conditions** – No plan may exclude coverage of children under 19 years of age with pre-existing conditions.
- **Expanding coverage for early retirees** - To preserve employer coverage for early retirees until more affordable coverage is available through the new Exchanges in 2014, the new law creates a temporary reinsurance program to reimburse employers for the cost of certain health benefits to retirees. Reinsurance amounts apply only to a percentage of certain claims between \$15,000 and \$90,000 for individuals between ages 55 and 64 who are enrolled in an early-retiree benefit program, are not active workers and are not Medicare eligible – along with their covered spouses and dependents. The program ends either on the date federal funding for the program is exhausted or on January 1, 2014, whichever happens first.
- **\$250 Medicare drug-costs rebate** - An estimated 4 million seniors will reach the gap in Medicare prescription drug coverage known as the “donut hole” this year. Each such senior will

receive a \$250 rebate.

- **“Unreasonable rates” review process** - Health & Human Services will establish a process for an annual review of “unreasonable premium increases” in the group and individual markets.
- **“Grandfathered plans”** – Any group or individual plan a person was enrolled in as of March 23, 2010 is a “grandfathered” plan. These plans are exempt from some of the health insurance reforms. Plans lose this status if they choose to make significant changes that reduce benefits or increase costs to consumers.
- **Coverage for emergency services** – Plans covering emergency services must meet new standards that include factors such as not requiring prior authorization, covering services from nonparticipating providers and not allowing out-of-network cost-sharing to exceed in-network rates. Plans also must cover a variety of preventive services.

Check your Broker News email newsletter for the latest health care reform update. Health Net is here to keep you informed.

For questions or more information, please contact your Health Net sales representative.

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An Update from Bret Morris: Health Net of Arizona Stable and Well Positioned for Growth

As I mark my six-month anniversary as president of Health Net of Arizona in November, I am thrilled with the progress that the plan has made over the course of this time. Arizona's performance has stabilized and commercial membership has grown 2.6%.

During the third quarter, we were awarded the 2011 contract to provide health care benefits to Walmart Store employees and their family members. The account reflects the trust that business leaders have in us to be part of helping their employees improve their health.

Medicare Providing Predictable Results

As we deal more and more with the health care reform, we are looking to our Medicare business as providing predictable and stable results – and it did exactly that in the third quarter.

The business remains on track for a solid full-year performance, and we look forward to a productive Open Enrollment period with a portfolio of affordable products that have broad market appeal.

Continuing the Work We've Started

After nearly 30 years in business, Health Net of Arizona has maintained a competitive position in the market. I'm proud that for the past four consecutive years, NCQA has ranked our commercial HMO #1 in the state.

We are taking proactive steps to enhance our competitiveness in the marketplace, and on a personal level, I am energized by the support you continue to provide as our valued business partners. I also realize that our success depends on our ability to make you a success.

The strength of our Western Region structure is already proving successful. Our parent company reported its third quarter earnings just a couple weeks ago. We experienced quarter-over-quarter growth in our commercial lines of business, and I should note it's the first such increase since before the economy started sputtering and employers started downsizing.

For More Info

If you'd like to listen to a replay of Health Net's Q3 financials, [click here](#) (guestbook sign-in required). Or you may view the printed transcript. And our press release is [here](#).

What the Street is Saying

Following our third-quarter earnings conference call, stock analyst Joe France of Gleacher & Company commented: "After two years of restructuring and the sale of its Northeast operations, (Health Net) is leaner and more focused on its strongest markets and new plan designs to address customers most affected by reform. With 40 percent of its book capitated, half of its enrollment in TRICARE and SG&A only 10 percent of revenue, we believe that (Health Net) is more stable than its peers, and better positioned to evolve with the industry."

Working Hard for You

Since coming on board, I'm discovering opportunities that will allow us to increase our value, continue to be a trusted partner to you and provide cost-effective solutions for your clients. We are finishing 2010 strong, and we are well positioned for growth in 2011.

As the holiday season approaches, I want to let you know that we at Health Net of Arizona are grateful for our relationship with you, and we wish you abundance of happiness in the New Year.

If I can assist you any way, just let me know.

Sincerely,

Bret Morris
President, Health Net of Arizona

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