

ESSENTIALS BY DEBI & JIM BOWMAN

BOWMAN & BOWMAN CONSULTANTS, INC

1700 Alma Dr. Suite 230 Plano, TX 75075 Office: 972-578-5095
Send all mail to: 2701 W. 15th St. #554 Plano, TX 75075

email: debi@bowmanbenefits.com

Total Benefit Services

www.bowmanbenefits.com

Celebrating 13 Years

The Year in Review

2009 was a most interesting and difficult year for health insurance. Both the House and Senate passed legislation revamping health insurance. It was an attempt to insure more people, make it more “affordable” and control health care spending. But, there was never a bill presented to the President, and now, the bill going nowhere while the Democrats regroup to decide what pieces of the legislation can be saved and a bill submitted to the President. Other than the heated debates and being a spotlight in every form of news media, nothing tangible was accomplished by our politicians in Washington.

Meanwhile, the stock market improved, most banks were saved, and unemployment continued to increase. The business climate for small business got even tougher and health insurance premiums rose. The government did offer a 65% subsidy for Cobra and State Continuation for laid off employees (and was extended another 6 months for 2010).

Current legislation from Washington proposed that those with individual/family health policies would be able to keep their policies in force and not be subject to the (yet to be defined) health plans of the future. Since the new legislation calls for millions of people to be given access to individual/family health insurance, that otherwise are not insurable. This most likely, would cause a sharp increase in the premium. Pre-existing conditions would be covered, also adding to the cost of insurance.

We believe some form of the legislation will get passed and begin to be put in place by 2014. Thus far, regular Medicare and supplements are not impacted by all this. Medicare Advantage plans were going to be impacted, so it remains to be determined what will happen to this market in the future. But for now, Medicare Advantage plans remain as is.

Bowman & Bowman Consultants will continue to be there for you during the coming years. Many of you have voiced your concerns to us this year. We will do our best to answer your questions and offer advice. Our agency continued to grow by serving more clients in the individual and those 65 years and older in the Medicare market.

Thank you

Debi, Jeanette and Jim would like to take time to express our appreciation for partnering with us for your health, dental, life and long term care insurance needs. For those that have used our services over the years and for those who have graciously referred others to us, we feel blessed and we thank you for your trust.

Reminder: Friday Business Hours

Please note that on Fridays the phones will only be answered until Noon. This allows us to wrap up the work week. If you call, please leave a message and we will call you back on Monday. If you need to reach the insurance company, please call the membership number on the back of your ID card.

BCBSTX Updates for Unicare Transfer Policies

For those of you who had Unicare policies and accepted the transfer offer to move to BCBSTX for January 1, 2010, please let us know if you have not received your ID cards, policy book or are having trouble getting prescriptions at the pharmacy. There are some cases where the information sent to BCBSTX did not transfer correctly, such as your address. We are also noting the a few accounts did not get set up properly in the prescription computer system. This can be corrected, so please let us know if this applies to you and we can contact them to get this corrected.

At this time, we can review your plan options to see if BCBSTX has made available to you alternate plan options not subject to medical underwriting. Please contact us if this is something you are interested in seeing. Your policy's premium must be paid to current for any transition to occur.

BCBSTX Value Added Health/Wellness Option

Blue Cross & Blue Shield of Texas now offers members of it's health plans access to a nationwide network of fitness centers for a one-time enrollment fee of \$29 and \$29 per month.

To find a workout location go to www.bcbstx.com/getfit. You can also call 1-888-762-2583 Monday through Friday 8am to 9pm to enroll. You must register as a member at www.bcbstx.com to view locations.

Wellness

If we Americans are going to reduce our health care spending, each of us needs to work on being as healthy as possible, based on our own situation. There are several items that contribute to our overall wellness.

Eat sensibly by including more natural foods and less processed food. These include antioxidant rich foods such as brightly colored fruit and vegetables, nuts and grains.

Eat out less often and learn to cook.

Take a walk or do some form of exercise.

Educate yourself about health and diseases relevant to your family.

Teach or mentor someone about health and wellness.

Take vitamins or supplements regularly.

Reduce or stop smoking.

HSAbank Update

As of July 2008, HSAbank no longer mails monthly statements.. They will mail quarterly statements. Monthly statements can be viewed online at: <https://secure.hsabank.com/ibanking3/>

2010 contribution limits are \$3,050 single and \$6,150 for family. If you are 55 or older in 2010 you can add an additional catch-up contribution of \$1,000.

2009 contribution limits are \$3,000 single and \$5,950 for family. If you are 55 or older in 2009 you can add an additional catch-up contribution of \$1,000. You have until April 15 to make the 2009 contribution. Be sure to put 2009 on your check.

There are no fees on accounts with balances of \$3,000 or more. Current interest rates are posted on their website at www.hsabank.com

We also Represent Secure Horizons

Bowman & Bowman Consultants, Inc is also an authorized to offer AARP Secure Horizons Medicare Advantage plans. These are mainly the Medicare HMO plans using their specific doctor network.

Other Medicare Advantage plans we offer are with Humana PPO and Aetna HMO & PPO plans.

Dental Plans

We now offer 4 different stand alone dental plans. Two are “any dentist” PPO plans: Ameritas and United Concordia. The other two are network only type plans: Careington and CompBenefits by Humana.

Any dentist plans allow you to go to any dentist. Since these are PPO plans, each dental company has a network of contracted dentists. You get better pricing with these dentists, because of the contractual agreements made. If you go to an out of network dentist, you generally pay more because the insurance company only pays the contracted rate and there is no contractual discounted rate.

These plans have an annual dollar limit on what the insurance company pays, along with waiting periods for basic and major dental work, along with a deductible. Two cleanings per year, with xrays, are included at no cost in-network.

With the network only plans, you can only go to a dentist in the network to get the benefits of the plan. One type of plan is a discount plan and the other is a DMO, with a selected primary dentist. These plans cost less than the any dentist plan while covering pre-existing conditions with no deductible and unlimited dollar benefits.

Indexed and Fixed Annuities

Recession Proof

In January 2008 we recommended these 2 types of annuities to protect your assets from shrinking and to offer a conservative way to grow your money. For those of you who did this, congratulations.

For everyone else, in retrospect, many of you wish you had done so.

Besides the growth potential of each, another main feature is that your principle and earnings do not decrease during negative stock market periods. And when the markets return or grow, you participate in the gain, with earnings credited to your policy, which in turn are guaranteed not to decrease.

Although the market has improved, it remains volatile, and even if it grows, there is always the potential for another down turn. The questions are: What are you doing to protect your assets? Can you handle another down turn in the market?

Medicare Open Enrollment Recap

December 31, 2009 ended the annual open enrollment (AOE) period to make changes to Medicare Part D prescription plans and Medicare Advantage plans (aka Part C plans). We assisted over 100 clients with their options during this period.

The next Medicare Part D annual open enrollment is November 15 to December 31, 2010. When this time period comes and you want us to review your prescription plan, all we need is an updated list of your medications. Be sure to mark your calendar now to contact us.

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IRS Deduction Changes for January 2010

Effective January 1, 2010, the standard mileage deduction is now 50 cents per mile. This is a decrease of 5 cents per mile from the 2009 rate. The Medical/Moving mileage deduction is decreasing to 16.5 cents per mile. No change in the charitable mileage deduction of 14 cents per mile.

IRA & Roth IRA contributions remain the same as they were for 2009. The 2010 max contribution is \$5,000, unless you are 50 or older, then you can contribute an additional \$1,000. Income limits apply.

The 2010 401(k) contribution limit is \$16,500. If you reach age 50 by December 31, 2010, then you can contribute an additional \$5,500, for a total contribution of \$22,000. This also applies to 403B and Section 457 plans. Simple Plans have a contribution limit of \$11,500 for 2010, with an extra \$2,500 allowed for those 50 and older.

** For those of you 70 ½ and older good news. There was no Required Minimum Distribution (RMD) requirements for 2009. The RMD resumes for 2010 tax year.

This newsletter intends to offer factual and up-to-date information on the subjects discussed, but should not be regarded as a complete analysis of these subjects. Professionals should be consulted before implementing any option presented. It is meant for informational use only.

This is a Christian business based on the teachings of the Bible, with a strong belief in the Holy Spirit. We believe that God has blessed each of us and assigned us the task of stewardship during our lifetime. All efforts are focused towards this walk.

As it is written, "Minister to one another, as good stewards of the manifold grace of God"

1 Peter 4:10