CALIFORNIA BROKER

VOLUME 38, NUMBER 9 SERVING CALIFORNIA'S LIFE/HEALTH PROFESSIONALS FINANCIAL PLANNERS JUNE 2020

A HELPFUL GUIDE TO COVID LEGISLATION

brand new day

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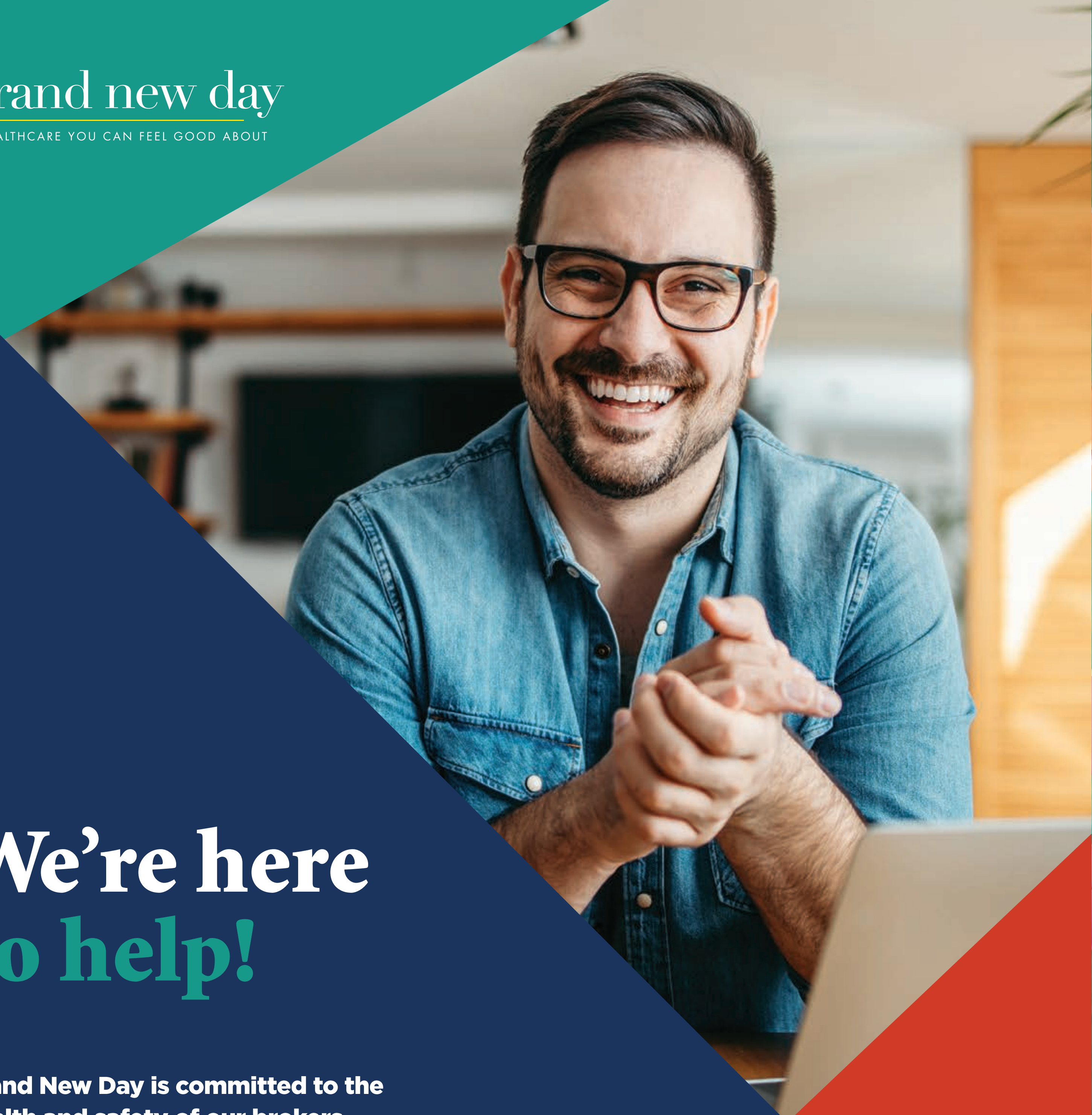

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- Subscriber count (i.e. enrolled employee count) is determined at time of initial enrollment as counted in CCSB systems and is based on medical subscribers only. No retroactive additions will be eligible for incentive payment. Dependents of enrolled employees are not counted.
- Groups must satisfy standard CCSB binder payment requirements for enrolled employees to count towards incentive program payments.
- No pro-ration of target values will take place.
- Business written through partnering General Agencies qualifies.
- CCSB intends to issue incentive payments 90 days following the effective month of a qualifying group. CCSB may modify its payment schedule at any time.
- Program open to all Agents who maintain active certification with Covered California.
- Bonus payments are in addition to regular sales commissions. Bonus payments will be reported on Forms 1099 and 5500 and as otherwise required by law, including reporting required by California AB 2589.
- Agents shall disclose to their client all commissions and other payments made to them by CCSB in compliance with all legal requirements.
- CCSB may cancel or modify this incentive program at any time without prior notice to the Agencies and Agents participating in the program. CCSB shall not be liable for payment of any incentive payments after cancellation of the program.

Note: Covered California is modifying the Agency Agreement to incorporate this bonus incentive program. Such modification will occur earlier than the 45-day notice period required in Section A(2)(a) of Exhibit B in the Agency Agreement. By accepting this notice, you agree that Covered California may modify the Agency Agreement on or before July 1, 2020, to implement the incentive program outlined in this notice. This is a benefit providing Agents with more incentive opportunities. However, if you do not agree with this effective date, please contact us immediately. Once the Covered California implements the incentive program, the official rules will be made part of the Agency Agreement and will be found at: *http://www.coveredca.com/agents/PDFs/Agent-commission-schedule.pdf*

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JUNE 2020

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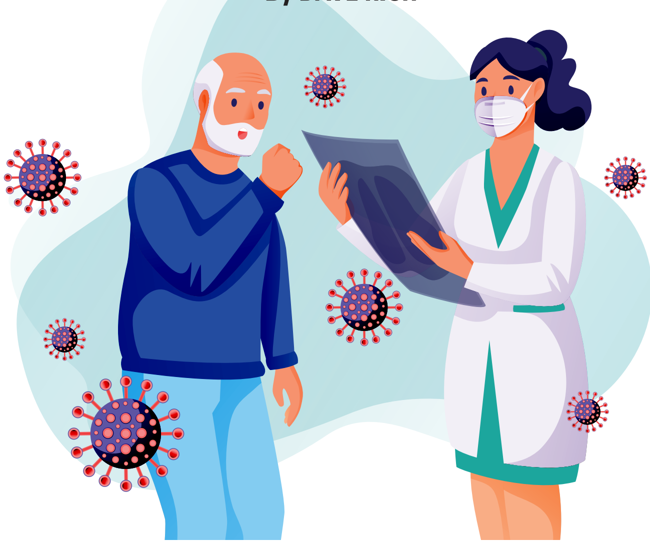
Insurance Industry Must Step Up to Improve Cumbersome Medicare Process Worsened by Pandemic

By DAVE RICH



In an effort to limit visits to doctors' offices and thus possible exposure to COVID-19, the Trump administration announced on March 16 that Medicare will cover telehealth services. This move was one of the first of many proposed deregulatory decisions to cut costly rules and significantly trim healthcare, telecommunications and financial regulations.

There's no doubt these efforts have helped provide a vulnerable population with life-saving healthcare resources vital during a global pandemic; however, they do little to help improve a complex Medicare process that has become overburdened by COVID-19.

A cumbersome Medicare system worsened by a pandemic

We've known for a while that the Medicare system is a cumbersome one—even without a pandemic looming over it. Medicare is highly regulated, and its associated processes can be incredibly slow. Together, these two things lead to major consumer confusion. That confusion is just one more entry barrier for a population that's more likely to experience health concerns, and it prevents that population from finding the healthcare packages they need.

According to a 2019 study by the Kaiser Family Foundation (KFF), more than 30% of Medicare beneficiaries reported difficulty comparing plan options, while nearly half said they rarely or never review their choices. According to another study by Kelton Global, nearly one out of four seniors studied said they found reviewing their Medicare plan to be one of the most unpleasant tasks they do—even worse than getting a colonoscopy or going to the dentist.

All of this confusion and frustration surrounding Medicare coverage is intensified even further by the pandemic. Job loss resulting in a loss of group coverage is pushing more Medicare-eligible people to attempt to enroll into Medicare, flooding a highly regulated, slow-moving system. At the same time, these people are facing added anxiety because of delays stemming from things like the closure of Social Security offices.

With a Contact Center specializing in Medicare solutions, we're fielding hundreds of calls a day, many of which are from worried beneficiaries and Medicare-eligibles experiencing the same thing. They are concerned about their health during these uncertain times and are looking for guidance.

Temporary deregulation is a commendable step, but it's not enough

There are nearly 60 million Americans enrolled in Medicare. When we talk Medicare, we're talking about providing healthcare services to a population that makes up over 18% of the country. A population that is more likely to be prone to mobility limitations and immunocompromising ailments. A population that deserves to have convenient and safe access to healthcare services.

The coronavirus crisis put pressure on the federal government to bring telehealth services to senior and disabled people. This effort allows healthcare providers to offer more than 80 different health services over the phone and video conferencing within a patient's home.

Changes that provide for more covered healthcare services and less regulatory red-tape are creditable moves in the right direction. However, deregulatory efforts are temporary and will likely expire as soon as concerns over the virus subside. Regulators need to consider making changes like these permanent. While the telehealth change has helped countless people stay safe, it should have happened pre-pandemic, and we hope that it will stay in effect after COVID-19.

The insurance industry must do its part

While we can hope for further deregulation by the Center of Medicare and Medicaid Services (CMS) to help make the best use of available resources, we need to start thinking about how the insurance industry as a whole can help ease the burden placed on Medicare beneficiaries during and after this pandemic.

It's time for the insurance industry to focus on providing consumers with the transparency they need to make educated decisions about their Medicare. This transparency goes beyond offering educational materials and comparison tools. Providing just access to these aids isn't enough.

For example, evidence shows that comparison friction drives a wedge between the availability of comparative information and consumers' use of it. Despite consumers having convenient access to comparative tools, this means they are less likely to use those tools when there is no intervention from outside sources, like insurance providers. Furthermore, those who don't use those comparative tools save less money on their premiums than the ones who do.

That isn't to say premium savings should be the only concern, though. Any friction that hinders a Medicare enrollee from learning about or comparing their options is a threat to their healthcare. If enrolled in a plan that is less than optimal for their needs, Medicare beneficiaries can fall into sizeable benefit gaps or even experience enrollment penalties. Both of these outcomes can be detrimental to a person's health or financial status during a drastic health scare, like a pandemic.

So, what causes this friction, and how do insurance providers help intervene? As discussed above, there are several barriers that make shopping for Medicare abrasive. These include its complexity and the confusion resulting from it as well as bloated regulatory standards. To combat these issues, insurance providers must make tools like online quoting comparison, AI-based needs analysis and automatic underwriting a part of people's everyday lives.

Soon it will be possible to remove the need for an agent in the buying process by using web-based tools, predictive analytics and direct access to the data needed to match a person to a product. The faster we can get there, the more prepared we will be for the next global catastrophe—despite any regulatory constraints.

Dave Rich, CEO of Ensurem, has held various positions over his 35-year career in the insurance industry. Experienced in both the home office environment and independent distribution companies, Dave has a unique understanding of home-office decision-making as well as agent and consumer preferences. For the last 10 years, Dave has held the positions of chief operating officer (COO) and chief marketing officer (CMO) of Amerilife Group LLC., one of the largest insurance marketing companies in the country. As CMO, Dave helped acquire distribution and design unique products in the life, health and annuity marketplace. As COO, Dave helped facilitate the reduction of expenses while increasing data security by consolidating servers, instituting security protocols and firewall systems. For more information on Ensurem, visit www.ensurem.com.

Stepping Up During a Pandemic

Heal Launches "Heal Teletherapy" to bring Digital Mental Health Care to Californians

Heal, a leading provider of telemedicine and physician house call services for tens of thousands of patients around the United States, announced the roll out of a new service, "Heal Teletherapy," which is now available across the state of California. Through this service, Heal patients are able to video-chat with a licensed clinical psychologist for $69 for 20 minutes at a time. Heal Teletherapy doesn't take insurance at this time, but the company says many large California employers are covering the cost of Heal teletherapy. Heal's telemedicine and home visit services, however, are in-network with all major PPO insurance companies as well as Medicare.

Anthem Blue Cross Steps Up to Ensure Vulnerable Get at least One Meal a Day

Please help get the word out: Anthem Blue Cross has expanded a recently launched home delivered meal program to address increased food insecurity and nutritional needs that are emerging amid the ongoing pandemic. Last December, Anthem Blue Cross partnered with Mom's Meals and Project Open Hand to launch a medically tailored meal program for its Medi-Cal members in the Central Valley, Los Angeles and the Bay Area who face chronic disease and complex health challenges. During the first five months of the program, more than 37,000 custom-tailored meals were delivered to Anthem Blue Cross Medi-Cal members—food-as-medicine to improve their health. Because COVID-19 has increased referrals, Anthem Blue Cross has responded by expanding the program to make home delivered meals available to Anthem Medi-Cal members across the state and ensure that eligible members receive at least one ready-to-eat meal a day, seven days a week. Anthem Blue Cross works with health care providers, clinics, case managers, community health workers and internal staff to identify members with qualifying needs and enroll them in one of its available home-delivered meal programs. Those who have been recently hospitalized and need help while recovering, or individuals trying to control chronic conditions and lacking the nutritional resources needed to succeed, are the most likely candidates for Anthem's home delivered meal programs. Members with questions about this benefit or other COVID relief resources should speak to their healthcare providers, contact their case managers or call the customer service number on their Anthem ID card.

UNUM Will Kick in $2.1B More to LTC

Unum Group announced that it has agreed with Maine insurance regulators to add $2.1 billion to its statutory reserves for Long Term Care (LTC) insurance. The company stopped selling group LTC back in 2012 but is still responsible for the policies sold before. The extra money, of course, is to account for predicted claims. COVID-19, however, has had an impact on claims. Unum acknowledged that the ratio of benefits payments to revenue for its LTC insurance business fell to 81% in the latest quarter, from 88.5% in the first quarter of 2019. The decrease was driven primarily by higher claimant mortality, according to Unum. The company didn't provide any more details such as the number of COVID-19 deaths involved.

Insurer Orgs Ask Congress to Expand Health Coverage

The American Hospital Association (AHA), America's Health Insurance Plans (AHIP), and the U.S. Chamber of Commerce sent a letter to Congressional leaders asking for them to expand health coverage for employers and workers.

"Employers need more support—and workers need to be able to continue their stable, secure coverage," the letter reads. "As you consider the next round of legislation to overcome COVID-19, we urge you to prioritize maintaining private health benefits for individuals and families and to increase coverage options for those who are already uninsured."

The organizations asked Congress to provide subsidies during the crisis to offset the cost of health coverage, cover the full cost of coverage for unemployed workers under the Consolidated Omnibus Budget Reconciliation Act, and lift the limit on qualifying expenses through health savings accounts. Additionally, they urged Congress to open a special enrollment period for the health marketplaces created under ACA while also increasing the eligibility for subsidies in the marketplace.

CaliforniaChoice®
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123,000+ Sign Up For Covered Cal

Covered California announced that almost 124,000 people had enrolled in health care coverage since the exchange announced a special-enrollment period in response to the COVID-19 pandemic. The pace of sign-ups during this period has been more than 2.5 times the level seen during the same period in 2019. The enrollment data covers the period from March 20, when Covered California opened the health insurance exchange to any eligible uninsured individuals who needed health care coverage amid the COVID-19 emergency, to May 16. Anyone who is uninsured and meets Covered California's eligibility requirements, which are similar to those in place during the annual open-enrollment period, can sign up for coverage through June 30. Visit CoveredCa.com for more info.

Be Aware of Telehealth Payment Issues

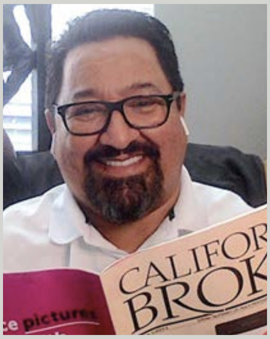
Policymakers and insurers across the country have been vocal about their embrace of telehealth. So much so that they've said they're eliminating copayments, deductibles and other barriers to telemedicine. Problem is, reports Kaiser Health News, patients say doctors and insurers are charging them upfront for video appointments and phone calls. And that's not just copays. Sometimes it is the entire cost of the visit, even if it's covered by insurance. While the bill can be righted with a little protest, nobody needs the hassle right now.

Supreme Court Sides with Insurers On Risk Corridor Program

The US Supreme Court ruled 8-1 that the federal government must "honor its obligations" and pay insurers $12 billion owed to them under the Affordable Care Act's risk corridor program. The program was designed to mitigate insurers' risks from 2014 to 2016, when they sold coverage to previously uninsured people through exchanges established under ACA. Insurers successfully argued that letting the government off would've amounted to a "bait-and-switch".

Cal Broker GPS: Working From Home

Do you know these illustrious readers? They're all sheltering In place with their Cal Broker magazines!
Send your photos to: editor@calbrokermag.com.



1: Ojai - Bruce Jugan of BenefitsCafe.com sheltering in place, reading Cal Broker online. (Photo credit Nicolas Jugan).

2. Folsom - Cerrina Jensen AVP, CoreMark Insurance snuggles up with Cal Broker magazine and with a furry friend in Casita Jensen.

3. Eagle Rock – Not missing a beat with Cal Broker online, Amy Evans, president, Colibri Insurance Services and host of The AlignWomen Podcast, cocoons with Diesel (lazing on the couch).

4. Northridge - Janet Fishman, J.D., professional organizer and executive director for NAIFA-Los Angeles and WIFS-Los Angeles.

5. Los Angeles - Michael Lujan, director of Sales, West Region at Oscar Health is sheltering in place reading the May Cal Broker… "staying updated on our industry COVID-19 response, Tech Tools and marketing ideas. These are strange times, but staying connected with customers and broker partners via video technology is not new to us at Oscar!"

6. Sherman Oaks - Peter Seibold, Small Group Senior Sales Executive, Kaiser Permanente and LAAHU President Elect keeps up to speed with the online version of Cal Broker.

Beam Me Up, Scotty! Aligning "Vision 2025" for NAHU and its members

By PAT GRIFFEY

Unless you are a Star Trek fan you may not get it, but in the last two months I've had flashbacks of my favorite episodes. Back in the day, on television Captain Kirk was quick to use the order, "Beam me up, Scotty!" to get out of a bad situation. He'd also order Scotty to beam him up to the Starship Enterprise at the end of the episode when the work was done and the world was once again right. It may be awhile before our world is right again, but I have every confidence the day will come. And, though we can't beam up out of a pandemic, we can learn lessons.

When I rewind 10 months, I remember the day that the Board of Trustees of the National Association of Health Underwriters (NAHU) began working on Vision 2025 for our association. Following many hours of often difficult but facilitated discussions during the summer and fall of 2019, the board identified seven major goals we felt the association needed to specifically focus on over the next five years. We'd accepted the seismic shift that had occurred in the delivery of health insurance and healthcare in our country and wanted to put our agent association on the right path to address the community needs of our members going forward. When the dust settled in Q4, the board identified the following goal categories:

1. Changing Consumer Expectations (members & consumers)
2. Mergers and Acquisitions
3. Changes to Member Compensation
4. Employer Market Issues
5. Technology
6. Major Health Policy
7. Organizational Recommendations

Within these major goal categories were separate sub goals, along with annual timelines and measurables for accountability. Having established the goals and subgoals, the board was prepared to easily assess whether any new idea or concept that presented itself in the future, would fit into our vision for NAHU and its members. One of the strengths of Vision 2025 is that each goal is represented by separate individual teams who possess key skills, experience and interests, as well as a goal champ represented by a NAHU boardmember. This enables the board to oversee and monitor the progress for each goal.

Think about the pandemic as it relates to the goals listed above. It is easy to see that as a result of our Vision 2025 planning, the board was much better positioned to quickly address some important issues as they occurred and are yet to come. Little did we know back then just how important the work we were doing was going to be. Since Vision 2025 is a living breathing document, we can also easily adjust within the sub goals to address new issues based on how they fit within our vision.

As NAHU president, I've seen the board tackle some tough issues since I took the helm on July 1, 2019, but nothing compared to the pandemic. One of the first situations was the suggestion that we build a program to assist members who have been directly and medically impacted by the virus. While NAHU already had a program to assist localized areas for natural disasters, that program was never designed to handle a pandemic affecting the entire country. Because of the work the board had done on Vision 2025, however, we were able to pivot to Goal #1 as a changing expectation of our members. Never had we needed to address an expectation of this magnitude; but this idea fit into one of our pre-established major goals and we had a team in place that could start working on a plan to help members. Within a relatively short period of time, the team was engaged and empowered to design a way to try to meet the need. This is just one example of how the work that was done on Vision 2025 in early 2019, has provided us with a preset path to tackle new problems we face today.

Another difficult decision emerged as we realized that the annual convention, set for June in Chicago, was in jeopardy. Working within Goal #5, the board had a team prepared to locate the proper technology to set up a virtual convention for our members. This team was ahead of the game though since they had already established a new association app in Q4 (NAHU365) that will also be put to good use during our virtual convention. Speaking of the virtual convention June 28-30, we have an amazing agenda planned and it's open to members and non-members alike. Additional information is available at nahu.org.

The COVID-19 battle isn't over, but America's spirit will rise to the challenge. As will NAHU's spirit. Dwight D. Eisenhower said, "In preparing for battle I have always found that plans are useless, but planning is indispensable." I couldn't be prouder of what the members of the Board of Directors and the supporting volunteer leaders have done on behalf of NAHU planning as we head into the next 3-5 years. I know our planning is solid and we're prepared to take on hard things. After all, the first step toward getting somewhere is to decide that you aren't going to stay where you are. NAHU has taken the hard first steps and we welcome others to join us as we move forward into the future of healthcare and health insurance in our country.

NAHU Annual Convention

Rescheduled to Virtual Event, June 28-30, 2020

An amazing agenda is planned! All welcome -- members and non-members alike. More info at NAHU.org.

LAAHU 2020 Annual Sales Symposium

Rescheduled to Virtual Event in July

LAAHU's AdapTech sales symposium will now be a virtual event on Friday, July 17, 2020. More info at laahu.org.

16th Annual BenefitsPRO Broker Expo 2020 Still Scheduled for August

At presstime, BenefitsPRO Broker Expo 2020 was still scheduled for August 20-22 in Austin, Texas.
More info at benefitspro.com

National Medicare Supplement Insurance Industry Summit

Rescheduled to 2021

The National Medicare Supplement Insurance Summit will be held June 2-4, 2021, at the Schaumburg Convention Center just outside of Chicago's O'Hare airport. More info at medicaresupp.org

CAHU Women's Leadership Summit

Rescheduled to 2021

CAHU Women's Leadership Summit has been rescheduled for March 24-26, 2021, in Las Vegas. More info at CAHU.org.

Insurance Industry Charitable Foundation (IICF) Women in Insurance Regional Forums

Rescheduled

Chicago: October 14
New York: October 26
Los Angeles: October 30
Dallas: November 17
More info at IICF.org

What You Need to Know About the CARES Act, Medicare and Medicaid

BY DANIELLE K. ROBERTS

At press time Congress was hashing out Phase 4 of the COVID-19 stimulus program, but most Americans were still not sure how Phase 3, the CARES Act, benefits them. The $2.2 trillion stimulus package signed into law on March 27, 2020, includes several provisions aimed at seniors that go far beyond the one-time cash payments.

If you advise seniors and the soon-to-be-retired demographic, here is what you need to know to help them take advantage of CARES Act benefits for older Americans.

Automatic payments for non-filing Social Security beneficiaries

For most taxpayers, eligibility for the $1,200 individual stimulus payments is pegged to adjusted gross income (AGI) as reported in the 2018 or 2019 tax return. The IRS issued special guidance for non-filers, which include a significant number of Social Security beneficiaries; initially, they were required to submit a simple tax return to claim their stimulus check.

That provision has since been waived for Social Security beneficiaries. The IRS announced that it will automatically deposit stimulus checks into the bank account on file with the Social Security Administration—or mail a paper check for those without direct deposit—regardless of the beneficiary's filing status. There is no additional paperwork burden for those currently receiving Social Security benefits.

Relaxed rules for retirement accounts

By mid-March, COVID-19 had wiped out over $7 trillion in value in the stock market—or about $22,000 per American. Current retirees and those approaching retirement are facing difficult decisions; 55% are rethinking their retirement plans.

It's become clear that this isn't a short-term financial blip and the recovery process could take years. For that reason, the CARES Act relaxes several restrictions involving withdrawals and loans from qualified retirement accounts.

No penalties on early withdrawals

The 10% penalty on withdrawals before age 59-½ has been waived for those affected by the coronavirus. In addition, the CARES Act suspends the mandatory 20% tax withholding that normally applies to early 401(k) distributions.

The Act does not eliminate the tax liability—account holders are still responsible for normal income tax on early distributions. However, the Act provides a lot of flexibility for managing it. Taxpayers can pay the entire amount with their 2020 return or spread the tax payments out over three years. Alternatively, they can repay the entire withdrawal within three years and avoid income tax on the early distribution altogether.

Withdrawals are limited to a maximum of $100,000 per individual regardless of the number of retirement accounts the person owns.

Larger loan amounts

The CARES Act doubles retirement account loan limits. Account holders can borrow up to $100,000 or 100% of their vested 401(k) account balance, whichever is less. The new rule applies to loans made through September 23, 2020.

The five-year repayment term still applies, but borrowers can defer loan payments until January 2021, although interest will accrue during the deferral period. The CARES Act does not include any specific provisions for loan repayment in the event the borrower loses his or her job. The revised repayment rules in the 2018 Tax Cuts and Jobs Act still apply and loans must either be repaid by the tax filing deadline or treated as a premature distribution.

Eligibility rules apply

Not everyone can take advantage of the relaxed guidelines. The legislation only provides relief to taxpayers directly affected by the novel coronavirus. Specifically:

- The account holder or spouse must be diagnosed with COVID-19 or
- The account holder must be laid off

Medicare has been surprisingly responsive to the new healthcare guidelines for COVID-19.

or furloughed due to coronavirus or be unable to work due to a lack of childcare because of COVID-19.

Individuals should be prepared to prove eligibility when they apply for a loan or take a premature withdrawal. Also, employers have the final say over whether to adopt the relaxed rules. Fidelity expects most plans to follow the federal guidelines, however, even though they are not binding on employers.

Suspended required minimum distributions

The Act suspends required minimum distributions (RMDs) for 2020 for all retirees and non-spousal heirs who would otherwise be required to take a distribution this year. Taxpayers who already took an RMD this year may be able to roll it over into another retirement account, but only if the distribution occurred within 60 days of the effective date of the CARES Act.

For example, an RMD taken in February 2020 could be designated as an eligible rollover distribution, but one taken in January would not be eligible.

It is possible that the IRS will issue a blanket extension at some point this year as they did during the 2009 RMD suspension. However, this is far from certain, so individuals who took their RMDs before the rollover deadline should plan accordingly. Also, any blanket extension that may be issued will not apply to non-spouse beneficiaries who already took their RMDs.

New Medicare rules

Medicare has been surprisingly responsive to the new healthcare guidelines for COVID-19. In addition to expansive new benefits for telemedicine services, the Centers for Medicare and Medicaid Services have issued COVID-specific coverage rules to comply with CDC recommendations for seniors.

The CARES Act directs all Medicare Part D prescription drug plans to lift quantity restrictions that limit a beneficiary's ability to obtain a three-month supply of medications. This directive allows seniors to comply with the CDC guidelines.

In addition, all COVID-19 related treatment is covered by Medicare, including hospitalization for quarantine purposes. In the past, Medicare wouldn't cover hospital days once a patient was medically able to be discharged. Now, however, Medicare will cover an extended hospital stay to comply with COVID-19 quarantine guidelines.

Finally, the CARES Act directs Medicare to cover the COVID-19 vaccine, once it becomes available, at 100% regardless of deductible status. Medicare beneficiaries will have no out-of-pocket costs for the coronavirus vaccine.

Enhanced Medicaid benefits

Prior to passage of the CARES Act, Medicaid was prohibited from covering the services of direct support professionals while a beneficiary was hospitalized. The Act removes this prohibition and expands Medicaid benefits to cover home- and community-based direct support services during hospitalization. This ensures continuity of care for the elderly and those with disabilities who are hospitalized due to COVID-19.

Keep up with the news

The news is changing daily and, in some cases, hourly. It is important to keep up with news on this as it evolves and impacts the communities we serve. By staying current on news and sharing it with your clients, you not only keep them in the know but also add value in ways they never expect.

Resources:

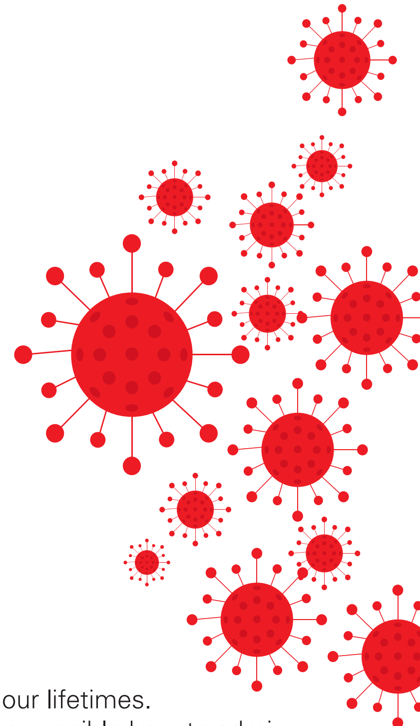
https://www.cnn.com/2020/04/01/politics/social-security-stimulus-payments/index.html

https://www.investors.com/etfs-and-funds/sectors/sp500-how-much-every-american-lost-in-the-coronavirus-stock-market-drop/

https://www.fool.com/retirement/2020/04/18/55-of-americans-are-changing-their-retirement-savi.aspx

Danielle K. Roberts is a founding partner at boomerbenefits.com and a Medicare Supplement Accredited Advisor. She and her team help thousands of baby boomers learn the ropes regarding Medicare every year. Reach her at: danielle@boomerbenefits.com, 1 (817) 249-8600.

COVID: A SPECIAL REPORT



A Helpful Guide to COVID Legislation, Families First Coronavirus Response Act and CARES Act & Emergency COBRA/ Special Enrollment Extensions

BY DOROTHY M. COCIU

As I write this article, I'm confined to my home office, where I've been for a number of weeks during the COVID-19 pandemic. I'm fortunate as I'm perfectly healthy, as are all of my family and friends at this point, but of course, others have not been quite so lucky. For all of us, however, our lives have been likely forever changed… From the way we greet people, the way we spend time with friends and relatives, and the way we ponder whether our finances will hold out during this pandemic and its economic impact on all of us.

We can't shake hands. We can't give hugs. For many of us, we couldn't even spend the Easter Holiday with our family and friends, as we were all following safer-at-home orders to protect our loved ones and ourselves. Our new normal is Facetime and Zoom gatherings, virtual happy hours or chat sessions. For those who have had loved one in the hospital, we couldn't visit them or hold their hands. But, we can be thankful for recoveries and for our ability to bounce back and survive. We can be thankful for technology to allow us to stay somewhat connected. For most of us, though, COVID-19 brought with it a longing to just be close to our loved ones. I think that with everything that has happened over the last few weeks and months, we now have a profound sense of longing for closeness and we'll cherish more than ever our friends and families.

Now, it's time to get moving forward, and try to recover from the financial and emotional devastation caused by COVID-19. Our businesses and those of our employer clients are required to offer federally required paid sick leave and expanded family medical leave under FFCRA. Although employers will receive tax credits, those will not be seen until the filing of next year's tax forms. The CARES Act will hopefully provide some relief. But the truth is, most of us will look back at 2020 as one of the most financially and emotionally challenging years of our lifetimes.

I'll explain in as simple terms as possible how to administer the complexities of the FFCRA and provide some basic guidance on the CARES Act. This is not an easy task, but I will do my best. For those of you who prefer videos, I recorded one for The California Association of Health Underwriters in early April, and it was published on their COVID-19 page of the CAHU website on April 13, 2020. To view that, here is the link: https://www.cahu.org/covid-19-information. Note that you must login as a member to view this video. For those of you who haven't logged into the new CAHU website yet, you will need your NAHU ID or login information.

Brief background on COVID-19

As we all know, we don't expect to have a vaccine for COVID-19 until 2021, but we are hoping for the new antibody tests to be available soon to help us all get back to work. In the meantime, we need to continue our preventive measures, with social distancing, working from home, washing hands and avoiding touching our faces. Schools are closed for the remainder of the school year. HHS is now recommending that we wear face masks to cover our nose and mouth when we go out in public… Many retail establishments, such as grocery stores, are now requiring them for entry. Obviously, the more we educate people, the more we can flatten the COVID-19 infection curve and reduce the spread, while the healthcare workers can continue to give this everything they have and help those who are sick.

On the business side, employers are required to educate their workforce on prevention of COVID-19. Under FFCRA, they are required to post notices about the FFCRA's leave rights for paid sick and extended family medical leave.

The IRS of course gave Americans tax relief by extend-

We were flooded with regulations and guidance getting hourly updates and additional guidance. My hats off to the regulators, they did an amazing job getting us all information in a very short amount of time.

ing the deadline to file and pay for 2019 taxes until July 15, 2020. Other filing provisions, however, remain in place, such as the filing of ACA reporting forms (due March 31, 2020 if filing electronically) and related. On April 24, President Trump signed the latest stimulus package, which allowed more funds for the Paycheck Protection Program (PPP) to begin on April 27. On April 29, the IRS, DOL and other agencies released updated COBRA extensions and claims filing rules related to COVID-19, which will be discussed later in this article.

Brief timeline

To bring us up to speed, I wanted to include a brief timeline of events related to COVID-19, the FFCRA and the CARES Act.

Families First Coronavirus Response Act (FFCRA)

The first actions of the FFCRA was to provide coronavirus testing with no cost-sharing, for both fully insured and self-funded health plans, including grandfathered plans. It seems hard to believe that here in California, those mandates started only on March 5.

In a very short amount of time, we were flooded with regulations and guidance, and for a couple of weeks, we were getting literally hourly, not just daily or weekly, updates and additional guidance. It was a crazy time and I could barely keep up! My hats off to the regulators, however, as they did an amazing job getting us all information in a very short amount of time. I honestly don't know how they did it so quickly…

DATE	ACTIONS
March 5, 2020	California CDI and DMHC puts health coverage mandate into effect
March 18, 2020	FFCRA signed int law, and health coverage mandate goes into effect; Includes Emergency FMLA and Emergency Paid Sick Leave Provisions, fr3ee testing for coronavirus, increased funding for unemployment insurance, food aid, and Medicaid
March 24, 2020	FFCRA: DOL issues guidance on Paid Sick Leave and FMLA Expansion
March 25, 2020	FFCRA; DOL Issues Paid Sick Leave Poster and Q&A
March 27, 2020	CARES Act signed int law; Announcement of Economic Injury Disaster Loans (EIDL) and Paycheck Protection Program Loans (PPP) Through June 30,2020
April 1, 2020	FFCRA: FMLA expansion, paid sick leave, and ax credits go into effect
April 1, 2020	FFCRA: DOL to issue guidelines on calculation of paid sick leave
April 3, 2020	"Launch" of Paycheck Protection Program; Banks Scrambling
April 4-6, 2020	Major Banks Announce Their PPP Program is Closed; Can't accept more
April 16, 2020	SBA Announced PPP Loans were closed; Funds had been exhausted
April 24, 2020	President Trump signs latest $484 Billion federal stimulus bill, which includes $25 Billion for Coronavirus testing and $60 Billion for loans and grants for the SBA's disaster relief resources
April 27, 2020	SBA PPP Program "re-starts," accepting new applications for the PPP Program
April 29, 2020	IRS, DOL and Other Federal Agencies release updated COBRA extensions and claims filing rules due to COVID=19, to be posted in Federal register on May 4, 2020

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It's important to understand that the FFCRA does not replace existing federal or state laws; it exists in addition to them, or alongside them.

Since March 18, when FFCRA was signed into law, a large number of releases were put out by the IRS/Treasury, DOL, HHS and other federal and state agencies, to assist employers in understanding and implementing FFCRA.

The employer provisions are very complicated, because they overlap and provide additional requirements for paid sick leave and FMLA, in addition to current laws.

FFCRA acts in addition to existing laws

It's important to understand that the FFCRA does not replace existing federal or state laws; it exists in addition to them, or alongside them. FMLA/CFRA, California Paid Sick Leave, California's Leave for Participation in School Activities laws are still in place. Existing wage replacement laws and insurance laws are still available, including California Paid Sick Leave, Paid Family Leave (PFL), State Disability Insurance (SDI), Short Term Disability, Unemployment Insurance and Workers' Compensation still exist and must be administered. To assist with the confusion, the Department of Labor put together a good chart, which can be found at https://www.labor.ca.gov/coronavirus2019/#chart .

FFCRA employer size implications

Under the FFCRA, the Paid Sick Leave and extended FMLA rules apply to employers with between 1 and 500 employees, and to public employers of any size. If an employer has over 500 employees, they are waived from the FFCRA paid sick leave and paid FMLA leave provisions. However, they can always be more generous than the law requires. There is also a possible exemption for employers with fewer than 50 employees, if they can demonstrate "jeopardy to the viability of the business as a going concern." Employers are asked to document how and why this would jeopardize the business, and review the DOL's Wage & Hour Questions & Answers, which is continually updated. They are asking that employers DO NOT send any materials to the DOL. The Q&A, along with a fact sheet for employers and employees, can be found at https://www.dol.gov/newsroom/releases/whd/whd20200324.

FFCRA six most important factors related to paid leaves

Under the FFCRA, the federal government for the first time requires paid leaves. The six important factors related to the leaves are spelled out below.

If an employee is unable to work or telework, the employer must provide paid sick leave due to a need for leave because:

1) The employee is subject to a federal, state, or local quarantine or isolation order related to COVID–19.

2) The employee has been advised by a health care provider to self-quarantine due to concerns related to COVID–19.

3) The employee is experiencing symptoms of COVID–19 and seeking a medical diagnosis.

4) The employee is caring for an individual who is subject to an order as described in subparagraph (1) or has been advised as described in paragraph (2).

5) The employee is caring for a son/daughter if the school or place of care of the son/daughter has been closed, or the child care provider of such son/daughter is unavailable, due to COVID–19 precautions.

6) The employee is experiencing any other substantially similar condition specified by the Secretaries of HHS, Treasury, and Labor.

Items 1-3 are paid at 100% full pay. Items 4-6 are paid at 2/3 pay. There is an exemption for an employer of an employee who is a health care provider or an emergency responder.

FFCRA Paid Sick Leave is effective on April 1, 2020, and sunsets (expires) on December 31, 2020. It's not retroactive, so if an employee went on leave prior to April 1 they are not subject to FFCRA. The amount of pay for items 1, 2 and 3 is based on the regular rate of pay, and items 4, 5, and 6 are based on 2/3 of the regular rate of pay. The maximums are $511/day and $5,110 in the aggregate for 1, 2 or 3, and $200 per day and $2,000 in the aggregate for items 4, 5, and 6. Employers are required to pay up to 10 days, or 80 hours for full time, and for part-time, the average they worked over 2 weeks.

How FFCRA paid sick time is calculated

As a simple example, if the employee is paid $21/hour, the amount paid is 80 x $21 = $1,680, and if the employee is paid $21/hour, and is entitled to 2/3rds of pay, the amount paid is 80 x $14 = $1,120 ($14 is 2/3 of $21). If someone has 40 hours of PTO booked, you cannot require them to take that PTO first. If someone has zero hours of regular PTO booked, they can still take up to 80 hours for FFCRA.

For the full rate or 2/3rds of rate, employees will receive for each applicable hour the greater of: their regular rate of pay (last 6 months), the federal minimum wage in effect under the FLSA, or the applicable State or local minimum wage. Their regular rate of pay includes commissions, tips and piece rates.

FFCRA expanded FMLA

Expanded FMLA is effective April 1 – December 31, 2020, for employers with 1 to 500 employees. For such expansion, FMLA is amended to add a new basis for up to 12 weeks of leave because of a "qualifying need related to a public health emergency," which means the "employee is unable to work (or telework) due to a need for leave to care for the son or daughter under 18 years of age of such employee if the school or place of care has been closed, or the child care provider of such son or daughter is unavailable, due to a public health emergency." An Eligible Employee must have worked for the employer for at least 30 days prior to the effective date of FFCRA (or March 2, 2020).

The first 10 days of the leave is unpaid (the elimination period). During this time, the employee may take their accrued sick, vacation, personal or medical leave time in their PTO banked hours if they choose to do so. After the 10-day elimination period, the leave is paid, again, at 2/3 of their regular pay, up to a maximum of $200 per day, and $10,000 aggregate.

Again, employers with fewer than 50 employees may be able to get an exemption, if the cost would jeopardize the viability of the business going forward.

Tax credits

Tax credits are available to employers effective April 1 – December 31, 2020. The benefit available is a refundable payroll tax credit available for Paid Sick Leave and FMLA extension of 100%, up to the limit allowed for paid leave under the FFCRA. The payroll tax credit will include an amount attributable to employer cost for health coverage, so you need to keep people on their health benefits during this time. For self-funded plans, they haven't released guidance yet as to how to calculate cost of coverage (as of the date I am writing this article), but at this point we assume that will likely be the COBRA rates.

The process will be a dollar for dollar offset against payroll taxes, and guidelines are available on the Treasury website. Tax credits are NOT available to government employers, however. There will be a 30-day non-enforcement policy issued by the Department of Labor.

Employer posters for Employee Rights

Employers are required to post an Employee Rights poster in their worksites. For employers with employees working from home or elsewhere, you must also get a copy of the poster to them, either by posting it on your intranet if you have one (and telling employees working from home or elsewhere that it is posted there) or by emailing or mailing it directly to employees working at home.

The poster can be found at: https://www.dol.gov/agencies/whd/pandemic/ffcra-poster-questions. We have also posted it on the CAHU website on the COVID 19 page, at cahu.org.

There is a simple one-page poster, or a slightly longer, more detailed poster available. The more detailed is approximately 1 ½ pages and is also available in Spanish.

Health savings accounts and HDHPs

People covered under a health savings account (HSA) and enrolled in a High Deductible Health Plan (HDHP), may have questions as to whether they'd be able to receive no-cost testing and treatment for COVID-19. To answer these questions, the IRS released Notice 2020-15, which says that they are still eligible to contribute to an HSA, even if their plan covers medical care services associated with testing and treatment for COVID-19 below or without a deductible.

Options available to laid off or terminated employees

A lot of employers are asking about options available to laid off or terminated employees. First, they should review their Plan Documents to see if COBRA applies. If so, they should offer COBRA.

Generally speaking, furloughs are often a short layoff, and employers often continue their benefit plans during this time. However, a layoff is a job termination, so any and all accrued leave is paid out, and COBRA is offered.

It's important to note also that Covered California allows for a special enrollment for loss of coverage/job within 30 days of the qualifying event. In addition, Covered California has extended their annual open enrollment due to the coronavirus through June 30, 2020. Employers may want to remind their laid off or terminated employees that they could be eligible for subsidies under Covered California, which may make it a much more affordable option than COBRA. In some cases, some may be eligible for Medi-Cal.

Health plan requirements

As with any other health plan change, the employer's Plan Document/SPD must be amended to comply with the COVID-19 no-cost screenings. Self-funded employers will need an amendment, Summary of Material Modifications and a Notice to Employees. Fully insured employers should check with their insurance carriers to see if they are amending their certificates of coverage. In many cases, you may still need to make an amendment to the employer Wrap-Around Plan Document.

Additional COVID-19 employee benefits issues (HIPAA, FSA Elections)

A question I'm getting from a lot from my employer clients is whether or not the information provided to an employer by an employee is subject to the protections of HIPAA. Information provided to an employer by an employee is generally not subject to HIPAA, because it

CNN reported that the FBI's Office of the Private Sector notified members of private industry that they should lookout for fraudulent doctors' notes and falsified documentation from employees claiming positive COVID-19 test results.

wasn't received, created or maintained by the health plan. For example, in a situation where an employee is self-quarantining because of exposure to the virus and they tell the employer so. The information didn't come from the health plan, so technically it's not subject to HIPAA. However, if the employer uses health plan Information to determine if an employee has the virus, that information would be subject to HIPAA. Keep in mind, even if it's not subject to HIPAA, the employer should treat the health information as sensitive personal health information and should protect it as such. Here in California, we have a number of additional laws, including the Confidentiality of Medical Information Act, which requires employers to protect any and all health information, regardless of whether it's created, received or maintained by the health plan. Therefore, employers should always treat health information as sensitive personal information and apply safeguards to protect it. Since they probably are already safeguarding HIPAA information, it makes sense to safeguard it in a similar manner.

Another question I have been asked more than once is "Can an employer tell employees if a co-worker has COVID-19 or suspects they've been exposed?" In this situation, it's clear cut… HIPAA applies, and HHS guidance says you should notify other employees that a co-worker has been exposed, but they say the employer should not provide the name or names or persons who have or have had COVID-19. They may figure it out if only one person is absent, but the employer should NOT provide names.

What should an employer do if an employee informs them that they've been exposed or tested positive for COVID-19? They should shut down the office/area and clean/sanitize before re-opening; identify the co-workers who may have been exposed; inform co-workers without identifying the employee and recommend they speak to a health care provider and self-quarantine for at least 14 days; and encourage employees to contact HR with questions and advise them that further communication is forthcoming. In these circumstances, they should definitely keep communicating with their employees.

Employer confirmation/verification of COVID-19 status

Unfortunately, there have been reports of employees who have created false doctor notes or documents to get paid time off under FFCRA, and in some cases, those false reports cost the employer greatly in cleaning costs, shut down costs, payment for leaves when employees were sent home to self-isolate for 14 days and related. CNN recently reported that the FBI's Office of the Private Sector notified members of private industry that they should be on the lookout for fraudulent doctors' notes and falsified documentation from employees claiming positive COVID-19 test results. Employers should make sure that the notes are on official letterhead from a medical facility, and perhaps call the telephone number on the documents to verify the phone numbers are in fact related to such facilities.The FBI recommends that supervisors should also look at inconsistencies in font and spacing, or signs that a document has been computer edited.

FSA elections

In another matter, it's important to note that employees may seek to stop dependent care FSA elections due to school closures, and such changes are permissible based on the change in the provider cost (the cost is $0 when daycare is closed).

See the DOL Wage & Hour Q&A

I mentioned the DOL Wage & Hour Questions and Answers above. I highly recommend that employers review those frequently, as they are being updated consistently.

Overview of the CARES Act

To help businesses suffering due to the coronavirus outbreak, the federal government enacted the CARES Act (Coronavirus Aid, Relief and Economic Security Act). This legislation was passed on March 25, and signed into law on March 27, 2020. It is designed to assist employers with fewer than 500 employees, and it includes corporations, sole proprietors, even independent contractors, self-employed individuals, and tribal businesses. The CARES Act provides $349 Billion in Small Business Administration loans (SBA). Many of the health plan provisions of the CARES Act state an effective date of March 18 (the effective date of FFCRA), rather than March 25, to be consistent with FFCRA.

HHS guidance says you should notify other employees that a co-worker has been exposed, but they say the employer should not provide the name or names or persons who have or have had COVID-19.

There are basically two types of loans (there are also more 7(a) loans, which I won't be discussing here), Economic Injury Disaster Loans (EIDL), and Paycheck Protection Plan (PPP) loans.

The Paycheck Protection Program, which most employers are interested in, provides up to a $10 Million cap to employers. The goal is to keep employees employed; therefore the majority of the loan proceeds must be used for payroll and payroll-related expenses.

Employers can apply through any SBA-certified lender beginning April 3, 2020 thru June 30, 2020. Lenders include banks, credit unions and other qualified SBA Lenders.

To calculate how much of a loan you may qualify for, you should multiply your 2019 payroll average monthly cost (including health benefits cost) by 2.5. That is your loan amount. (For newer businesses, there are other calculations available.)

Under the CARES Act, payroll includes salary, wage, commission, or similar compensation, cash tips or equivalent, payment for sick time, FMLA (exception—FFCRA leaves), vacation, group health insurance premiums, payments for retirement benefits, state or local tax. What's excluded includes compensation over $100k, payroll taxes, income taxes, compensation to employees outside of the USA and FFCRA leave expenses (those are given a tax credit). There are special rules for seasonal employers.

Once the loan is secured, you will be required to track all of the expenses that you used the loan proceeds for over the immediately following 8 weeks. You must document and return all documentation to your lender to prove that the funds were used only for qualified expenditures.

Qualified expenditures include: payroll, payroll-related benefits (like health insurance), utilities, rent or mortgage costs, and leased equipment. The payroll expenses need to be at least 75% of the loan amount. The utilities, rent, mortgage costs or leased equipment expenses must not exceed 25% of the loan amount. Be careful with this and keep very good records.

Loan forgiveness

Under the CARES Act, the lender will forgive the qualified portion of the loan used for acceptable items (it becomes a grant you do not need to repay). However, keep in mind, this loan is all about keeping employees employed. If you reduce your employee headcount during this time, you will reduce the forgiveness in proportion to the reduction. For the portion not forgiven, the interest rate is 1% for a two-year term. There is a 6-month deferment on the first payment and no prepayment penalty.

Problems with PPP roll-out

You may have heard about the significant problems with the initial PPP roll-out. The SBA did not get the guidance to the banks until approximately 1 a.m. on April 3, 2020 (the date of the launch), so the banks were left scrambling to complete the programming functions needed to automate the process.

Because the banks needed time to get programming completed, there was a slower than anticipated roll-out. To deal with this, many banks were phasing in applicants by type. For example, they may have started with single owner companies, then multiple owner companies, then 1099 contractors, etc.

Unfortunately, due to the pre-established limits set by SBA with each lender, some banks met their maximums in the first 24-72 hours after the roll-out and shut down the program, or put it on pause.

Most banks require that you must be a business customer, which causes problems for those whose normal financial institutions were already maxed out on their loan applications limits. In addition, the SBA system crashed on the Monday following launch.

On April 16, the federal government announced that the funds had run out. There have been requests for additional funds for this program, and it is likely that additional funds will be authorized by Congress. So, stay tuned, keep checking back with your banks or check the resources on the government websites, or check the CAHU website. I have been providing CAHU with information for the COVID-19 page since March, and will continue to do so.

Economic Injury Disaster Loans (EIDL)

There are also Economic Injury Disaster Loans available. These Include options for a $10,000 grant; they are sup-

The CARES Act provides for all testing of COVID-19 and is to be covered by private insurance plans without cost sharing for both fully insured and self-insured plans alike.

posed to be easy and fast. In fact, SBA claims you will receive this grant within 3 business days of the application filing. It's a grant and does NOT have to be repaid. However, at the time of this writing, these funds have also reached their maximums. Again, Congress is working on additional funds so stay tuned.

You should be aware that the amount received from an EIDL grant is subtracted from the forgiveness amount of the PPP if you're applying for both. For example: If you received $75,000 from PPP and $10,000 from the Economic Injury Disaster Loan Grant, they will subtract the $10,000 you already received from the PPP loan amount. Any previous EIDL loans can be rolled into the new PPP loans.

U.S. Chamber of Commerce informational piece

There is an excellent US Chamber of Commerce piece that was created almost immediately to educate employers on the PPP and EIDL loans. I suggest you pull it off their website, or pull it from the CAHU website on the CAHU COVID-19 page.

Cares Act health provisions

The CARES Act also includes some health plan changes. It provides for all testing of COVID-19 is to be covered by private insurance plans without cost sharing for both fully insured and self-insured plans alike. It includes services/items provided during medical visits, including telehealth visit, urgent care, doctor's office or ER that result in testing or screening. It's effective March 18, 2020 and extends through the end of the public health emergency. Under the CARES Act, HDHPs can cover telehealth services prior to the patient reaching the high deductible through 12/31/20. Keep in mind, this is voluntary—if the plan covers telehealth below the deductible, employees will not lose eligibility to contribute to HSA.

There is also an inclusion of OTC medical products as qualified expenses under FSA, HDHP and HRA plans. Once again, these are voluntary; plans must be amended to cover this and claims must be substantiated. Within this provision, physician prescriptions are not required, and even menstrual products are considered qualified expenses.

In other provisions, the DOL was given the authority to postpone ERISA filing deadlines by one year in the case of a public health emergency. (Note: this is not guaranteed, so check the DOL website for updates). The CARES Act also has provisions for Student Loans. It allows employers to pay an employee or lender, including principal or interest, up to $5,250 toward an employee's qualified education loan. This is not taxable income to employees; payments must be made before 1/1/21 (26 U.S.C. section 127).

Cares Act 401(k) distribution and loan allowances

The CARES Act also allowed for several changes that will impact retiree retirement income and strategies going forward. The main components include changes to required minimum distributions, 401(k) loans, Social Security benefits, a new coronavirus-related distribution exception, and charitable provisions. I will focus on the 401(k) and retirement plan provisions only in this article.

The required minimum distributions of a 401(k) plan are basically waved; you can leave your retirement accounts alone for 2020. Because the markets were volatile in early 2020, and the required minimum distributions were based on the end of 2019, before accounts saw a drop in value, this will help many retirees, as they can leave their investments alone for a year and allow them to recover from the fallen market.

401(k) loans were also impacted by the CARES Act. 401(k) plans now allow a participant to borrow up to 100% of their vested account balance or $100,000, whichever is less. These limits apply to loans made from March 27, 2020, through September 23, 2020. Keep in mind, not all 401(k) plans have loan provisions. But if yours does, and you need to access it, you may be able to take a loan without some of the past penalties.

Withdrawals from 401(k) and certain individual retirement accounts may also be allowed without paying an early withdrawal penalty of 10%. You can also avoid paying taxes if the withdrawn money is put back in the account within 3 years.

These provisions are complicated, and I'm only touching on them here. Plan provisions vary, and people should

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> ***Special kudos to NAHU for their insight and suggestions to the [Trump] Administration. It's nice to see a direct impact from what our dues help to pay for. Excellent analysis!***

definitely seek the advice of a 401(k) or retirement plan representative or a tax attorney before they take loans or make withdrawals, as plan provisions vary greatly.

New funding for PPP loans—Round Two

On April 24, 2020, President Trump signed the latest stimulus package, which offered $484 Billion in COVID-19 relief, including $310 Billion for the SBA PPP Program, plus $75 Billion for hospitals, $25 Billion for Coronavirus testing, and an additional $6 Billion for other SBA disaster relief funding. The SBA announced a "restart" of the PPP program on Monday, April 27 at 10:30 Eastern time, when the banks and financial institutions literally pressed their "send" buttons to submit millions of applications for PPP loans, which of course caused the SBA system to crash once again. They did, however, get it back online quickly, and many more loans were approved in the week after. If you were able to have your loan applications completed and ready to go at the restart date, you had a chance to qualify for the additional funds. This time, SBA and Congress put an emphasis on smaller, privately held businesses for priority loan approval, including a portion set aside for smaller financial institutions, employers with fewer than 50 employees, minority-owned and women-owned businesses, after the bad press related to the first round of PPP loans, which resulted in the majority of the funds going to publicly traded companies, large restaurant and other retailer chains, and the "best customers" of the largest financial institutions.

As of the date of this article being updated, the PPP program was still active… it was still accepting PPP applications, but those loans are expected to go quickly.

COVID-19 COBRA and claims extensions: emergency final rules released

On April 29, 2020, in what looks to be a direct response to the National Association of Health Underwriters' (NAHU) letter dated April 7 making suggestions to the Trump Administration on the association's concerns that the COVID-19 outbreak may temporarily impede efforts to comply with various requirements and deadlines under ERISA, the Department of Labor released guidance that addresses many of the topics included in the April 7 letter to the Administration. For a copy of the letter to the Trump Administration from NAHU, go to https://nahu.org/media/5251/nahu-covid-19-suggestions-april-2020.pdf. Special kudos to NAHU for their insight and suggestions to the Administration. It's nice to see a direct impact from what our dues help to pay for. Excellent analysis!

The Departments of Labor and Treasury released an emergency final regulation regarding the COBRA-election period during the dates of the COVID-19 national emergency. The emergency rule took effect immediately and can be applied retroactively to March 1, 2020.

The emergency rule allows more flexibility for initial COBRA election periods, deadlines for COBRA premium payments, and timelines for the employer to provide COBRA election notices. The changes in these timelines will be in effect until the Administration declares the end of the COVID-19 national emergency.

The U.S. Department of Labor released the EBSA Disaster Relief Notice 2020-01, which provided guidance and relief for employee benefit plans due to the COVID-19 outbreak, and the DOL's EBSA released 29 CFR Parts 2560 and 2590 and the IRS 26 CFR Part 54, which provides for an "Extension of Certain Timeframes for Employee Benefit Plans, Participants, and Beneficiaries Affected by the COVID-19 Outbreak."

While I will not go into detail about these provisions in this article, I will highlight the most important provisions. I will provide more detail in a separate article on the COBRA as well as other provisions addressed in this emergency final regulation.

Overview of the emergency rules

This relief provision allows all group health plans, disability and other welfare benefit plans, and employee pension plans subject to ERISA to disregard the period from March 1, 2020, until 60 days after the announced end of the national emergency, or such other date announced by the Agencies in a future notice (called the "Outbreak Period") in determining special enrollment periods, a COBRA continuation election period, the date for making premium payments, the date for individuals to notify the plan of a qualifying event, the date in which a benefit claim is filed, the date

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The main thing to remember is that regarding COBRA and Special Enrollment emergency provisions, the key date is 60 days after the announcement that the national emergency has ended.

for filing an appeal of an adverse benefit determination, the date to file a request for an external review after an adverse benefit determination, and the date in which a claimant may file information related to a request for external review upon a finding that the request was not complete. (These items will be discussed further in a separate article).

COBRA election period

The emergency rule changes the COBRA-election period by allowing a person who has an election period between March 1, 2020, and the end of the national emergency an additional 60 days after the end of the national emergency to choose COBRA-continuation coverage. Prior COBRA rules provided enrollees to have 60 days to elect COBRA, but this extension will allow eligible COBRA beneficiaries to have more time to make a COBRA election period decision during the pandemic.

Examples were provided for seven scenarios in the Federal Register dated May 4, 2020, which assist beneficiaries and administrators to understand the extensions. It is important that you understand when reading the examples, that the DOL and Treasury Dept are assuming for purposes of the examples that the national emergency ends on April 30, 2020 (which of course, it did not), and the Outbreak Period ends on June 29, 2020 (the 60th day after the end of the national emergency). But, the examples will help you to understand how the extensions work. Three of the first four examples discuss the COBRA extensions. (Example Two is related to special enrollment and is discussed in the next section).

Example One summarizes an individual who works for an employer and participates in that employer's group health plan. Such individual's hours are reduced due to the national emergency, which results in an offer of COBRA coverage. This individual is provided a COBRA election notice on April 1, 2020, so what is the deadline to elect COBRA? Under this example, the outbreak period is disregarded. The last day of his election period is 60 days after June 29, 2020, which is August 28, 2020.

Example Three relates to COBRA premium payments. On March 1, 2020, an individual was receiving COBRA continuation coverage under a group health plan. More than 45 days had passed since this person had elected COBRA. Monthly premium payments are due by the first of month, and the plan only provides for the statutory 30-day grace period for making premium payments. This person made the February payment on time, but did not make the March payment or any payments during the Outbreak Period. As of July 1, the individual had not made any premium payments for March, April, May or June. Does this person lose COBRA coverage, and if so, for which months? For this example, the outbreak period is disregarded. Premium payments made by 30 days after June 29, 2020, which is July 29, 2020, for March, April, May or June 2020 are considered timely, so this individual would be entitled to COBRA continuation coverage for these months if he or she makes the payment. The payments will be considered timely if they are made within 30 days after the end of the outbreak period. Premium payments for all four months are due by July 29, 2020. The plan cannot deny coverage and may make retroactive payments as long as they are received by July 29.

Example Four relates to COBRA premium payment – partial payment. Assume the same facts as Example 3. By July 29, 2020, the individual made a payment equal to 2 months' premiums. How long does this person have coverage? Because the individual made two months' payments, he or she is entitled to COBRA continuation coverage for March and April, 2020, the two months for which the premium payments were made, and the individual is NOT entitled to COBRA continuation coverage for any month after April, 2020. Therefore, any services incurred in March or April would be covered by the plan. The plan would NOT be obligated to cover any benefits after April 30, 2020.

Special enrollment time frames

In general, HIPAA requires a special enrollment period in certain circumstances, including when an employee or dependent loses eligibility for any group health plan or other health insurance coverage in which the employee or the employee's dependents were previously enrolled, including coverage under Medicaid and CHIP, and when a person becomes a dependent of an eligible employee by birth, marriage, adoption, or placement for adoption. Generally, group health plans must allow such individuals to enroll in the group health plan if they are otherwise eligible and if enrollment is requested within 30 days of the occurrence of the qualified event (or within 60 days, in the case of the

This information is current as of the date of this writing (updated May 4, 2020), but you should definitely check the CAHU.org website's COVID-19 page regularly.

special enrollment rights added by the Children's Health Insurance Program Reauthorization Act of 2009).

Like the COBRA extensions, this emergency rule extends the special enrollment period for all group health plans, disability plans and other employee welfare benefit plans, and employee pension plans subject to ERISA or the Code must disregard the period from March 1, 2020, until 60 days after the announced end of the National Emergency, or such other date announced by the Agencies in a future notice. Therefore, the 30 day (or 60 day in the case of certain CHIP enrollments) special enrollment period is extended until 60 days after the announced end of the National Emergency. Remember, in the examples, they are assuming that the end of the national emergency is April 30, 2020, with the Outbreak Period ending 60 days later, or June 29, 2020.

Example Two relates to a special enrollment period. If an individual previously declined participation in their employer-sponsored group health plan, and on March 31, 2020 such individual gave birth and would like to enroll herself and the child into her employer's plan, however, the employer's open enrollment period does not begin until November 15. When can such an individual exercise her special enrollment rights? In this example, the Outbreak Period is disregarded. The individual and her child qualify for special enrollment into her employer's health plan as early as the date of the child's birth. She can exercise her special enrollment rights for herself and her child into the plan until 30 days after June 29, 2020, which is July 29, 2020, provided that she pays the premiums for any period of coverage.

The other examples relate to the claims procedure and appeals procedure deadlines, and will be discussed in a separate article on this subject.

The main thing to remember is that regarding COBRA and Special Enrollment emergency provisions, the key date is 60 days after the announcement that the national emergency has ended. In terms of making retro payments, my concern is that if someone was laid off for a period of time, as months accumulate in retro status, it will be that much more difficult to pay the past-due premiums, the longer the time accumulates. If you aren't able to afford month one payments, will you be able to afford months one through four (or more) and pay within the allowed time-frames? I think the intent is good, but we'll see how the reality of the financial situation plays into this. We all know how in the past, someone could wait until the end of the old 60-day election period, elect at the end, then have 45 days to pay the premium… Employees with knowledge (or help from someone who has knowledge) of how the COBRA time frames work could wait and see if they had claims that needed to be paid during that 45 day window… if no claims, no need to pay the premium…Now, with these extensions, keep in mind allowing those months to accumulate until the end of the national emergency just means that the COBRA participant will have even more months to make up premium payments for if they did have claims during that period…And if they were laid off or had a reduction in hours, that will not be easy. Again, great intent… but I'm not so sure if it will actually help people who lost their jobs during this time…Perhaps enrollment in exchanges (with possible subsidies) may be the way to go. The special enrollment extensions will certainly cause a bit of chaos for HR departments to attempt to calculate, and that could cause some issues as well. Again, I will get into more details and provide commentary from other resources/experts in that separate article!

Model COBRA notices

The Department of Labor released new Model Notices for COBRA on May 1, 2020, including a model general notice and election notice, available in both English and Spanish, as well as a new COBRA FAQ. Those notices can be found at: https://www.dol.gov/agencies/ebsa/laws-and-regulations/laws/cobra.

Check the CAHU.org website for more information

This information is current as of the date of this writing (updated May 4, 2020), but you should definitely check the CAHU website's COVID-19 page regularly. I will continue to update the CAHU.org website as new information becomes available.

By Dorothy M. Cociu, RHU, REBC, GBA, RPA is the OCAHU V.P. of communications and public affairs and the incoming vice president, communications for CAHU.

Author's Note: I'd like to thank Marilyn Monahan, my company's benefits attorney, for helping me understand all of these provisions.

FIVE CRITERIA FOR CRAFTING SOCIAL CONTENT DURING COVID-19

BY DAVITHA GHIASSI

The COVID-19 crisis has shaken nearly every aspect of the insurance industry, putting financial strains on businesses of every size. Now more than ever, brokers need to lean into their role as trusted adviser, proving the value that the relationship model brings to clients whose lives and business may have been upended.

Because of social distancing, a tremendous amount of traffic has been driven to digital channels. Brokers have closed their doors and are relying exclusively on online transactions. Online news consumption has exploded. Social media engagement is up 61 percent since the outbreak struck. And—at the intersection of all of this—consumption of branded social content has greatly increased.

Employees are looking online for information, communication and support. Along with their increased attention to brands' social channels, they are bringing to the table much higher expectations for meaningful, helpful content during this time.

The question is not whether to post, but how to post content of true value—content

Now more than ever, brokers need to lean into their role as trusted adviser, proving the value that the relationship model brings to clients whose lives and business may have been upended.

Now is the time to focus on making your social channels shine with helpful information that strikes the right chord.

that makes a positive contribution to your audience's radically changed lives. Now is the time to focus on making your social channels shine with helpful information that strikes the right chord.

This is business as unusual. To sense-check content during the COVID-19 crisis, we recommend using the HATCH method for thinking through the purpose and tone of each post. Ask yourself, is this:

1. HELPFUL?

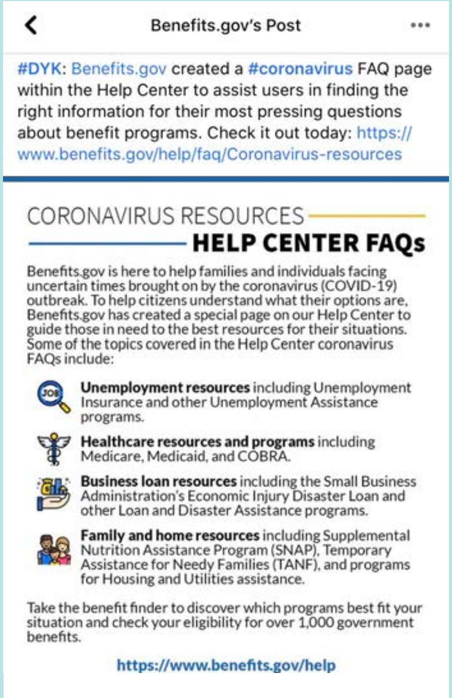
There is no doubt that this pandemic has completely reimagined the world of work and will continue to do so. Employers and employees have previously unforeseen needs, which in turn have changed how businesses can be of value to their customers—particularly by offering helpful information and support through social channels. Since the beginning of social distancing, companies have been sharing advice on communicating to employees during the COVID-19 crisis. For example, ADP has created a toolkit for employers with resources to maintain quick payroll management, details on COVID-19 legislation, email templates with messaging for employers, and work-from-home tips.

2. ACCURATE?

In and beyond a time of crisis, sharing clear and accurate information with your audience is of the utmost importance. Major platforms such as Facebook and Instagram have made efforts to direct users to reliable content from health organizations and have committed to eliminating misinformation during the crisis. But companies also have a role to play in sharing accurate information regarding the impact on their audience. That's why you see insurance company Cigna using its channels to share doctor-driven tips on accessing healthcare during the pandemic, specifically what employees can do if they have a dental emergency and how to maintain proper oral health to avoid needing to see a dentist. Benefits.gov has positioned itself as a trusted authority on benefits by creating an FAQ page to guide employers and employees through common questions on topics like unemployment benefits and applying for small-business loans, so they understand the options available during the crisis.

3. TIMELY?

As the situation is changing every day, acknowledging and acting on the latest developments through your communications is key—particularly in the fast-moving world of social media. VSP does an excellent job of staying timely with a regular Instagram Live series with eye-care professional influencers, sharing up-



To sense-check content during the COVID-19 crisis, we recommend using the HATCH method for thinking through the purpose and tone of each post. (Helpful, Accurate, Timely, Compassionate, Human).

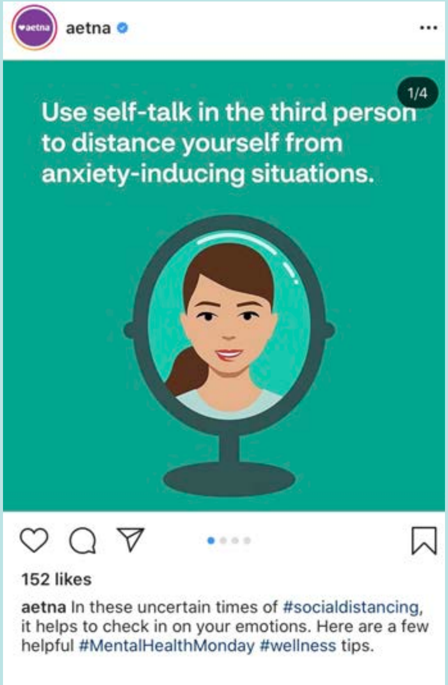
dates in real time about the state of their practice and how they continue to treat patients, providing accurate information about COVID-19 as it relates to eye health, often dispelling misperceptions that are circulating. Tapping doctors to share information on a weekly basis helps VSP give its eye-care providers and members an update on the state of the industry as changes happen in real time.

4. COMPASSIONATE?

Communities all over the world have come together to acknowledge and thank healthcare workers on the front lines of the crisis—and this kind of compassionate, grateful response is also important and appropriate for social media. It's important to acknowledge that times are hard for some people, and we could all use a bit of encouragement. One company that has done a fantastic and creative job of changing gears from product-driven to purpose-driven content is Aetna. The company has created a series of graphics for its followers with simple tips to help keep your mental health under control—from listening to music to distancing yourself from triggering situations.

5. HUMAN?

Social media is a two-way street. It's not a channel for companies to speak at customers, but rather to engage in dialogue with them. Having a human perspective and showing



that you understand your audience's situation on a personal level is critical. SHRM has solidified its place as the authority on human resources by focusing on its core audience: employers. The organization developed a video outlining tips for gauging and responding to employee questions and sentiment. It also asks its followers questions to engage them in conversations about timely topics, like returning their workforce to the office, encouraging employers to share insights and opinions with one another.

Davitha Ghiassi is EVP of Social & Integration at Red Havas, a Merged Media agency specializing in earned, social and experiential storytelling with content at its core. Find Davitha at davitha.ghiassi@redhavas.com, or on Twitter or Instagram at @DavithaGhiassi.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VIRTUAL EMPLOYEE WELLBEING PROGRAMS ARE NECESSARY IN OUR NEW WORLD

BY DANA YOCKEY

Our entire world has changed, dramatically, in just a few months. People are trying to adjust to a new "normal," and must find new ways to get through daily activities.

Employees are working remotely, and are undoubtedly dealing with increased stress and anxiety as they try to find the best new work-life balance. Going to the grocery store, picking up prescriptions, and finding time to exercise are key aspects to many individuals' wellbeing. But concern over the rapid spread of COVID-19 has drastically altered the ways in which individuals can meet those wellness needs.

Employers must be willing to make changes to help their employees adapt to changing conditions, ensuring that employees have access to the best options possible to maintain a healthy wellbeing. For example, increased stress, anxious overeating, sleepless nights, and a decreased desire to exercise could be impacting employees. Adjusting to a new normal is not easy, but having the right digital tools can help employees combat unhealthy habits.

Let's break down some of the larger healthcare trends related to COVID-19, and how opting for virtual employee wellbeing programs is an essential move for employers.

Rise of telehealth

Telehealth is when healthcare is provided remotely through the use of technology such as videoconferencing or phones. It allows providers and patients to connect without needing to physically be in the same room. It is real-time, two-way communication.

Employers must be willing to make changes to help their employees adapt to changing conditions, ensuring that employees have access to the best options possible to maintain a healthy wellbeing...Adjusting to a new normal is not easy, but having the right digital tools can help employees combat unhealthy habits.

Telehealth is a key option for providing care under the "new normal." With social distancing measures, it helps keep individuals out of waiting rooms, where they are often forced to sit closely together.

Prior to COVID-19, telehealth was seen as an ideal option for rural areas, helping individuals connect with specialists or providers who might not be near. However, it has been increasing in popularity over the last several years, for all types of providers and in different areas.

In 2010, 35% of hospitals had fully or partially implemented a computerized telehealth system, the American Hospital Association (AHA) reported. By 2017, that number had increased to 76%.

Telehealth helps increase health care value and affordability, according to the AHA. Telehealth can save patients time and money, reduce the need for patient transfers, as well as emergency department and urgent care center visits. It also delivers savings to payers, helps address physician burnout by reducing clinicians' drive times and can allow more time for patients.

Numbers from the American Medical Association (AMA) also show drastic increases in telehealth on the provider side. In 2016, 14% of physicians had adopted virtual visits, with 28% reporting the same in 2019.

"Importantly, the percentage of physicians that see no real advantage to digital tools is trending downward and these tend to be among physicians over age 50," the AMA said. "This follows general attitudes to technology seen in the U.S. population."

With patients and providers already beginning to change how they viewed healthcare options, it's no surprise that virtual care has quickly become embraced during a pandemic.

How COVID-19 impacts healthcare delivery

Over the last couple of months, millions of individuals were urged to adhere to "stay at home" orders or follow state-mandated guidelines of "shelter in place." Many governors told residents to only go out for necessary trips (e.g. buying groceries, picking up prescriptions). With all of those factors, the way that healthcare is being delivered has been forced to change as well.

The Centers for Medicare and Medicaid Services (CMS) announced in March that Medicare telehealth services would be broadened, allowing beneficiaries to "receive a wider range of services from their doctors without having to travel to a healthcare facility."

Additionally, as of April 23, nearly the entire country has enacted waivers for easing telehealth licensing and credentialing requirements, according to the Federation of State Medical Boards.

For example, Massachusetts issued an order allowing reciprocity for out-of-state healthcare providers. This would allow those providers to practice both in-person and through telemedicine.

The Health and Human Services Department's Office for Civil Rights (OCR) announced that providers can use tools such as Skype and FaceTime to communicate with patients. OCR will also "waive potential penalties for HIPAA violations against health care providers that serve patients through everyday communications technologies."

Should a potential breach occur, OCR will not pursue penalties for incidents "that result from the good faith provision of telehealth services during the COVID-19 nationwide public health emergency," according to an HHS FAQ page.

"Providers seeking to use video communication products are encouraged to use [vendors familiar with the requirements of the Security Rule], but will not be penalized for using less secure products in their effort to provide the most timely and accessible care possible to patients during the Public Health Emergency."

We may never fully return to the former "normal," including in how employee wellness programs are utilized. But staying healthy—and connected—is possible. And employees can reach health and wellness goals.

Public perception of telehealth services has also evolved. A recent survey found that while only 19% of adults from around the U.S. had tried telehealth, nearly 75% said that they would consider using a telehealth service if they felt they had COVID-19 symptoms.

Furthermore, two-thirds of respondents said they are more willing to try telehealth in the future because of COVID-19.

Telehealth is a key option for providing care under the "new normal." With social distancing measures, telehealth helps keep individuals out of waiting rooms, where they are often forced to sit closely together. Additionally, using telehealth for regular, necessary medical care can also help free up medical staff—and equipment—to focus on those who are seriously ill with COVID-19.

Employee options

But what does this mean for employee wellbeing programs? How can employers ensure that their employees stay connected and stay in control of their personal wellbeing?

For example, let's say that a single, working mother of two is currently working from home. But she is also caring for her children. Trying to find the best way to balance work and childcare might mean that certain wellbeing considerations—like nutrition and exercise—are pushed to the side. Furthermore, her stress and anxiety levels are also likely much higher than normal.

But a married man in his 40s who does not have children will be facing different challenges. While he doesn't have to worry about childcare, maybe he's concerned about his parents who live in a nursing home. Or he's had to take on a second job to help make ends meet.

These two individuals need a wellbeing program, but will need different variations of a program that meets their unique needs.

At Zillion, we were already working on ensuring a smooth transition to the digitalization of healthcare. Our RestoreResilience program now helps employers reach each of their employees, from wherever they are, honing in on stress, anxiety, and sleep.

Nutrition and exercise are also components of the program, allowing our members to take back control in their daily lives and create, develop, and maintain healthy routines.

RestoreResilience pairs each member with a personal health coach for one-on-one sessions, either through phone calls or texting. Our coaches work with each individual, creating a personalized approach to wellbeing that will drive true behavior change. RestoreResilience also offers peer-to-peer support, allowing members to communicate and encourage one another.

Finally, RestoreResilience always has the latest information on COVID-19, ensuring that our members stay current on the changing environment. Other providers are also offering programs that use digital tools and telehealth to keep employees healthy.

We may never fully return to the former "normal," including in how employee wellness programs are utilized. But staying healthy—and connected—is possible. And employees can reach health and wellness goals.

Dana Yockey, NBC-HWC, is director of coaching operations and delivery at Zillion, a leading behavior modification company, whose solutions blend technology, people, and content to deliver impactful programs, which target many of the most pervasive chronic health conditions affecting the global population. Dana is an experienced leader and coach with a history of working in both digital health and the corporate health and wellbeing industry.

EMPLOYERS REALIZE THE IMPORTANCE OF LEGAL AND IDENTITY PROTECTION PLANS AMID CORONAVIRUS PANDEMIC

Employees need to be vigilant about physical, digital and financial health

BY EMILY B. ROSE

One hundred years ago, the world confronted the devastating pandemic caused by a respiratory-based virus. From its appearance at the start of 1918 to its disappearance sometime in 1920, an estimated 500 million people—a quarter of the world's population—caught the Spanish flu, with an estimated 50 million deaths. Unlike before, however, employers are now managing a "twin crisis," attempting to balance the demands of a public health response with employees facing new and untold legal and financial difficulties, many of which were inconceivable a century ago. To say this challenge for employers is unprecedented is not hyperbole.

Over the coming months, legal and identity theft protection plans will be some of the most crucial benefits employers can offer their employees. Employers have long recognized a need to embrace benefits that cast a wider net of financial protection and offer employees peace of mind. This is never more true than today.

Even before the COVID-19 crisis, legal and identity theft protection plans were benefits desired by employees. Research shows that 89% of employees feel that owning an identity theft product would provide peace of mind knowing their identity is protected. Nearly 50% of employees also felt that their employer should offer a legal protection benefit. With the popularity of these benefits being fully established it also became clear that employers were looking for ways to reduce employee distraction and provide financial wellness benefits to employees. The 2019 LegalShield Workplace Study, for instance, showed that nearly 60% of employees stated they've been distracted at work because of a recent data breach or an identity theft matter. More than 60% said they faced a legal event in the last two years, with more than half saying the legal matter negatively impacted their work.

Employers concerned with employee "presenteeism" issues before the COVID-19 pandemic now face the challenges of "stay at home" orders, mandatory 14-day quarantines and social distancing guidelines. By local and state edict, government officials have shown we have the ability to turn any private employer into a "virtual workplace" overnight for the benefit of public health.

In what many are considering the "new normal" environment, there is little doubt that employees are facing a mountain of potential legal concerns which will negatively impact their focus and work performance. In the coming months, some of the personal/financial wellness matters that many employees will encounter include debt collection and other financial matters, consumer protection matters, tax advice, estate planning matters and landlord/tenant issues.

More specifically, these include:

• Estate & Family Planning: Preparation of healthcare directives, powers of attorney, wills and trusts, as well as guardianship documents.

• Consumer/Finance Protection Matters: Assistance with reimbursement for travel cancellations or restrictions, debt collection issues, childcare concerns, reimbursement for inaccessible monthly goods or services (e.g. gym memberships), or tuition payments for college, private school, daycare or other institutions

• Traffic: Assistance with traffic ticket questions and driver's license issues when the courts and DMV are closed.

• Real Estate: Assistance with general housing matters, construction/contractor disputes/reimbursements, tenant/landlord matters (e.g. - eviction, security deposit disputes or early lease termination).

Cyber criminals and COVID

In addition to legal concerns, crises like COVID-19 are a breeding ground for cybercriminals. As the need to stay at home increases, more people are turning to the internet for work, shopping and entertainment. Identity thieves are taking advantage of this and have put their hacking skills to work, leaving employees and private company information increasingly at risk. Even before the current crisis, we had seen a dramatic rise of ransomware attacks, holding companies, governments and healthcare providers' hostage to extortionate demands.

Cybercriminals are actively taking advantage of the increased influx of remote workers, hacking into remote conferencing services and even finding ways to infiltrate home routers, oftentimes redirecting victims to fake COVID-19 themed websites that push malware. With so many employees working remotely, it's important that employers ensure they are taking proper steps to protect company information as well as employees' personal information.

The virtual meeting site Zoom, which has skyrocketed to prominence to meet the need for virtual social interactions among employers, educators and family and friends, is a prime example of cybercriminals capitalizing on the current situation. Hackers have found ways to exploit program vulnerabilities to virtually take control of a users' computer and access their personal information, as well as install malware or spyware. Zoom is working quickly to identify and patch the security bugs, but that's not the only vulnerability consumers need to be aware of.

Common frauds and online scams to be aware of include charitable solicitation, contractor/vendor invoices, price gouging, property insurance, forgery, unknown health products and malicious websites. Here are a few schemes for employees to be aware of:

• Impersonating health care professionals: Be cautious of unexpected emails claiming to be from health professionals, and don't click on any links. Always go to the alleged organization's official website if you want more information.

• Fake work-from-home jobs: Fake employers are having members provide personally identifiable information like SSN and some are asking for a fee, some are asking for bank account information to provide direct deposit of paychecks.

• Stimulus check scams: Hackers are asking people for their online account credentials to deposit stimulus check. Scammers are asking for PayPal account information, SSN and bank account number.

• Donation/charity scams: Do proper research before picking out a charity. Be cautious of causes that demand payment only with cash, money order or gift cards.

• Virus-fighting product claims: Avoid products that specifically claim to be effective against the coronavirus. There currently aren't any approved products available to treat or prevent the virus, so allegations to the contrary should be a red flag.

At this difficult time, employees need to be vigilant about not only their physical health but also their digital and financial health. For employers hoping to educate employees, LegalShield has created a free resource page (https://covid19.legalshieldbenefits.com/) that is regularly updated with the latest information of concern. The information is equally beneficial for employers and employees, whether they are enrolled in legal and identity theft protection plans or not. Additionally, there are dozens of law firms across the country available for local consultation and ready to serve.

Emily B. Rose is the SVP of sales for LegalShield's Business Solutions Division. Emily has over 15 years of experience in the voluntary benefits space, including group legal plans, identity theft protections plans, supplemental health and property and casualty. She can be reached at proposals@legalshieldcorp.com.

NOW IS THE TIME TO WRITE A BUSINESS PLAN

Good news: it's not as tough as you think

BY ALAN KATZ

I write this in early May. The pandemic is in full swing as are the steps being taken to combat it. I hope you are well and safe. And I am guessing that by now things have eased a bit.

Still, I assume many of us are still working from home. Which means now is a great time to think about pulling together a business plan.

Seriously. A business plan. Why not? You have more time to think about your business. And a greater need to think about the future of your business. What you have done your entire career will inform what you do moving forward. However, what you do moving forward will be different than what you have done in the past. This is the reality we all need to face—and to prepare for.

Why a business plan?

If you are like most insurance producers, you are hearing a voice in your head insisting that business plans are for other people, not you. Like Indiana Jones, you are good at making things up as you go along. No, you are not. Leave aside that Indiana Jones was following a carefully crafted script, the reality is that being prepared invariably trumps faking it.

Imagine you are about to take to sea. A storm is brewing. (Please, play along for a few paragraphs!)

There are two boats available.

The first is skippered by an experienced captain. He claims to have a feel for the sea. When seas get rough, he listens to his gut and decides what to do and where to head.

A long-time captain helms the other ship, too. She, however, uses maps. She knows where she is and how far it is to safe harbors.

When the waves get big, both have the skill to steer into them. But the first captain is taking them as they come. The second is maneuvering not just through the immediate concern, but knows where she wants to be and how to get there. For the first captain the journey is a series of discrete crises. For the second captain, the journey is aimed at getting to a specific, desired destination.

Which captain are you going to sail with?

Your agency and your career are heading toward rough seas. You can make things up as you go along, or you can have a plan to guide you. Which would you prefer?

Business plans matter

A brief digression. Ten years ago, I did a study to determine what successful insurance professionals did that was different from what their less successful colleagues were up to. We interviewed 200 health insurance agents in six states. Some had been in business for decades; others for not much more than a year.

We focused on health insurance agents because we all sell the same products at the same price. Success, then, is the result of what we do, not what we sell. (Full disclosure, insurance companies and general agents underwrote the study.)

What we found is that one of the strongest correlations with sales success was whether the agent had a plan. High growth producers—those whose business grew by at least 20% year-over-year—were twice as likely to have a detailed business plan as producers with less or no growth.

It makes sense that having a business plan coincides with success. Change is always happening. It may take the form of new laws, new products, new technologies or even a pandemic.

Creating a business plan requires you to think about your agency in the context of that change. Writing a plan focuses your attention to determine what is important, what needs to change, and what you want to accomplish.

The result is clarity and focus. This means you are not wasting time pursuing every potential opportunity, but are instead efficiently pursuing those that move you forward. And it aligns your entire team toward that goal because they know where you and they are headed.

Heading into a new world, efficiency and alignment in the pursuit of a clear focus is a powerful advantage.

Writing a business plan the easy way

Many insurance agents instinctively understand the importance of planning their work, but still avoid writing a business plan. They are rightfully concerned it will take too much time and it is too complicated. It can, but as I will explain soon, it can be relatively quick and simple.

I wish I could say that you can write a business plan without actually, well, writing it. Sure, writing a business plan can be a long, dreary process. But that is not a requirement. The process can be simplified. Drafting can be broken down into pieces so you can take a break when your mind wanders. And wander it will.

The key is to keep things simple, useful and concise

Keeping your plan simple not only makes it more likely you will write one, but that you will use it as well. With this in mind, I recommend keeping your plan to just four elements:

1. A mission defining where you want to go.
2. Strategies for getting there.
3. Goals describing what needs to happen to get there.
4. Milestones laying out the discrete steps along the way.

That is it. Each element leads to the next. And next month we will walk through how these come together into a powerful plan.

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FINDING THE POSITIVE IN A LOCK-DOWN

BY JOE NAVARRO

Ideas to Help YOU during the Quarantine

Did you know about an alarming statistic announced before the Coronavirus hit which could also be negatively impacting you, your clients and subsequently your sales efforts? (you might be thinking,"Oh great Joe don't we have enough bad news?").

Cigna's Loneliness Index accumulated in 2019 found three in five adults (61%) are lonely. Now, keeping with this line of thinking, add the not so surprising numbers of a more recent poll conducted by the Kaiser Family Foundation which found that half of all Americans feel the Coronavirus has negatively affected their mental health and you have a recipe for disaster! (really lifting you up now aren't I?)

The situation was compounded when I read the following headline in the Sacramento Bee just recently, "Coronavirus like a 'poisonous fire hydrant' of anxiety. Crisis line calls up 1,000%".

Summing it all up—you have extreme loneliness, negative mental health and growing anxiety taking over our psyche today (stay with me—I am getting to something more positive).

My reason for sharing this information is first, to reinforce my belief that the better you understand your client's mood today, the more successful you can be when reaching out to them, as you make an effort to pursue your purpose by offering your services and addressing a very real need.

Second, according to UCLA researcher Steve Cole, staying connected to purpose and meaning in your life is the single most powerful resilience against all of the negative we are facing today.

Finding the good during the pandemic

As you are experiencing, there are a lot of folks out there offering webinars and promises of providing you the secret to sell your products and be more successful.

Most are sharing a wealth of information from the same playbook. Do they truly understand, recognize or offer ideas to improve the deteriorating mental health of a large percentage of the people you work with and are trying to help?

This is not a criticism but an observation. Remember the situation is new to all of us and my hope is to help all of you stay positive so you can be more successful while we are confronted by this terrible virus.

My research shows consumers need your expertise more than ever. You have a tremendous opportunity to make a deeper impact on the relationship you have with your clients. By understanding their existing mental health and approaching them with the right information along with a positive attitude you will increase your chance for success.

One interesting term which stood out during my research is called "an attitude of tragic optimism." The term was created by Viktor Frankl, a Holocaust survivor and psychiatrist from Vienna. He defined it as the ability to maintain hope and find meaning in life despite its inescapable pain, loss and suffering.

I encourage you to read more about tragic optimism to see if it might help you and your clients during the pandemic. (Google: "On Coronavirus Lockdown: Look for Meaning, Not Happiness.")

Below are few actions you can take that will help you maintain a healthy mental attitude and add more "positive" to all the new and different things you are currently doing for your clients.

Remember, the one thing most of us have in rich and plentiful supply right now is anxiety. Let's work with each other to turn that around.

As a coach, I suggest a way of looking at all of this: The coronavirus pandemic is forcing us to reconsider who we are and what we value. In the long run, it could help us rediscover a better version of ourselves.

Please consider these ACTIONS for staying positive during a time when what we are experiencing is new to us all.

1. Be smarter when using social media. Resist endless scrolling through YouTube, Twitter, LinkedIn, Instagram or Facebook to name a few. Set a time that you spend on this activity each day then walk away. I am a big fan of the virtual connection but one reason for you to manage your social time is that, along with the positive, there is a lot of negativity being displayed as the situation con-

> ***You have a tremendous opportunity to make a deeper impact on the relationship you have with your clients by understanding their existing mental health and approaching them with the right information.***

tinues. This could potentially impact your mental health.

2. Incorporate virtual selling. Social media plays an important role in the new norm and is key part of virtual selling. As you have experience, we no longer have the benefit of meeting and connecting face-to-face. People behave differently in virtual selling. So, for both your business and mental health I highly recommend you spend time looking at what this means to you and how you can incorporate virtual selling into your agency. It is new and can be challenging. I can help you with that in future articles but today the focus is on maintaining your positive mental health.

3. Examine your daily routine in the new normal. Sweats seem to be the outfit of choice during the pandemic, but from time to time challenge yourself to dress "business casual" (as you would for a "regular" day) or get adventurous by dressing with color and attitude. You've heard the old adage…"dress for success." Have a little fun with it—and push back the negative effects of containment.

4. Following the rules, get some fresh air and exercise. Some experts say you can get out and enjoy fresh air, carefully, during the pandemic. Look at it like a daily vitamin. Find a quiet place (that you can call yours) and set a time to experience this activity daily. I must emphasize! Continue to follow any rules to keep you safe. The bottom line is it will be good for you and will help you feel a little bit normal. If you don't want to go outside, create a path/track that you can follow in your house so you can walk, exercise and move about. Consider turning on the music and have fun like you did when you were a kid!

5. Be proactive. Write your business model for the "Official Restart." What is your plan to help clients once we are up and running again? Do you have a plan to incorporate virtual selling? What does it looks like? Most likely there will be continued disruption and confusion along with tremendous opportunity as we get closer to 4th quarter. The question you need to ask yourself is, "Will I be prepared to help?"

6. Be creative. Now is the greatest time in our history to get creative. Innovation rules the new normal. As I repeat over and over with those that I coach, this is all new, none of us have ever experienced anything like it which means we are all learning as we go. So why not do things differently?

7. Add to your expertise. Have a little fun as you build a better you with something new. Take up a hobby, start playing that guitar that has stood in the corner of your room, read that book you've been waiting to read, get that professional certification. Do something you will find rewarding and feel good about to help lighten up your mood, stay positive and be of more value to your clients.

8. Find a true partner who is working to keep you in the picture. Carriers and General Agencies are spending a lot of hours attempting to understand what is going on and analyzing how they can partner with you to make this trying time better for you and the people you serve. They know coronavirus is bigger than all of us and they'll continue to develop more programs to help you and your clients. I highly recommend that none of you should be taking this on without the help of a significant partner.

9. Start meditating 20 minutes a day. I've been practicing a form of meditation for 30 years. It works. Learning is pretty straightforward and it should relax you. Using a comfortable, quiet spot in your house, close your eyes and pay attention to your breathing. As you breathe in, be aware of it, as you breathe out, be aware of it. As your mind wanders, and it will, acknowledge it and return to your breathing. I have simplified the exercise for now but I encourage you to give it a try. I know it might sound unorthodox to you but once again, we are dealing with many unknowns and threatening challenges that we have never experienced before. It is a good time to try new ways to maintain your good health leading to a healthier, happier and purposeful life.

Keep searching for that new knowledge, my friends. I ask myself every day "what can I learn to improve the way I help my clients?" Do the same and you will find you can make a bigger difference while reaching more clients and expanding your business. Here's to continued blessings and good health!

Joe Navarro, former director of development for Warner Pacific, is a business life coach with Yes You Are Worthy, Inc. Contact Navarro at joeboomer65@gmail.com.

AD INDEX

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Employee Information Is Everywhere.

Today's connected employees need more than just identity theft protection.

Other Employee Benefit Plans

LifeLock with Norton Benefit Plans

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