

December 2010

Benefit Matters

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PacificSource Recognized for Employee Wellness Program

We are proud to announce we have been honored with two awards that recognize our own employee wellness program:

- **Healthiest Employers of Oregon:** The *Portland Business Journal* has selected PacificSource as the #2 Healthiest Employer of Oregon among participating businesses with 500 to 1,499 employees.
- **National Excellence in Worksite Wellness (NEWW):** We have been awarded a Gold NEWW award by the Wellness Council of West Virginia. This award is designed to recognize results-oriented wellness programming.

We're Happy to Share the Secret to Our Success

PacificSource Wellness Coordinator Charis Allenbaugh and Wellness

Specialist Lauren Whyte are the dedicated, creative talents behind these successes. The programs they and their team research and develop are designed to foster healthy lifestyles and enhance the health and well-being of our employees and members. Wellness programs are often tested in our own workplace before being offered to you.

A Boost for Your Workplace Wellness Program

Our online Wellness Communication Toolkit includes free posters and materials that can help you build your own workplace wellness program.

If you would like help or would like to suggest a wellness topic, we invite you to e-mail Charis or Lauren at wellness@pacificsource.com.

Set Your 2011 Wellness Goals

With the new year fast approaching, it's time to set your goals to make 2011 your healthiest year yet.

- Our wellness team can help you start a workplace wellness program.
- Wellness materials—posters, payroll stuffers, newsletter articles, and more—are provided at no cost.
- Have a special interest or request? Just ask us our wellness team. From a Lewis and Clark Walk Across Oregon to a Five-A-Day Fruit and

The Healthiest Employers of Oregon program

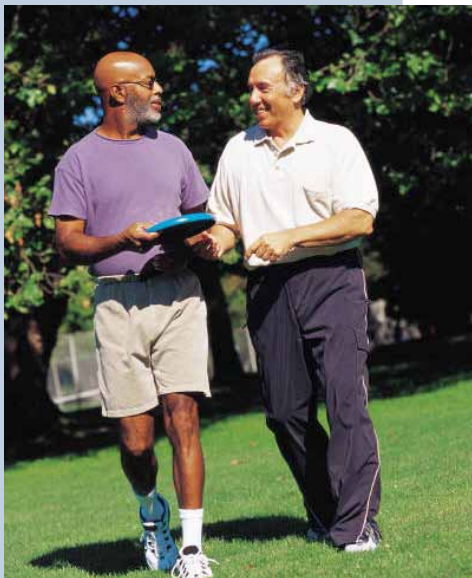
promotes the value of workplace wellness and recognizes companies that demonstrate innovation and leadership in their wellness programs. We applaud all the Oregon employers who participated for their leadership and commitment to the health and well-being of their employees. For more information about this program, visit HealthiestEmployers.com/events/oregon.

Vegetable Challenge, we have a variety of programs to inspire your employees to adopt healthier lifestyles.

As you know, supporting employee health is not only good for employees, it also makes good business sense. Everyone benefits from fewer sick days, higher productivity, lower healthcare costs, and a happier workplace.

Support your employees' personal goals

Encourage your employees to set their own health goals for 2011. In late-November, we'll provide materials to help you communicate to your employees about setting personal goals for the new year. Please contact your Client Service Representative or visit our Wellness Communication Toolkit page at PacificSource.com/wellness-toolkit.aspx.



Holiday Hours

Our offices will be closed in observance of the holidays November 25 and 26, and December 24 and 31.

Best Wishes for a Happy and Healthy Holiday Season!

Clarification Regarding Rescission Restrictions of Group Policies

Under healthcare reform, health plans are not permitted to rescind (or retro-terminate) coverage except in cases of fraud or intentional misrepresentation of a material fact. These provisions became effective September 23, 2010, for all plans (except dental-only plans).

Group health coverage must comply with the rescission of coverage provisions. Since the prohibition of retroactive termination does not apply in all cases, we anticipate there may be some initial confusion with the application of the regulatory requirements. Following are a few guidelines:

- The prohibition is not intended to apply for failure to pay the correct premium on time.
- The prohibition is not intended to apply when retroactive termination is attributed only to delays of normal terminations because of administrative processes (e.g., a delay in notifying an insurer that an employee terminated employment and is no longer eligible for coverage).

Upcoming Community Events

PacificSource is proud to sponsor community events that support healthy communities and health-focused organizations. Please join us in supporting these local events:

Festival of Trees—Cascade Health Foundation

November 24-28, Eugene, Oregon

Festival of Trees—Mercy Foundation

December 1-5, Roseburg, Oregon

Festival of Trees—Providence Community Health Foundation

December 1-5, Medford, Oregon

Festival of Trees—Redmond Sisters Hospice

December 4, Bend, Oregon

- The prohibition would likely apply if an employer continued to pay the premium for an employee whose hours were reduced below the eligibility requirement and attempted to retroactively terminate the employee's coverage to the date when hours were reduced. In this scenario, the employee may unknowingly rely on the coverage for which premium was paid.
- The prohibition would likely apply if an employee inadvertently indicated an incorrect birth date of a dependent child and doing

so caused coverage to continue beyond the dependent's normal termination date. Since the incorrect information was not an intentional misrepresentation, coverage could not be terminated retroactively.

If an employer terminates an employee's or dependent's coverage because of an intentional misrepresentation of material fact, **the employer must give least 30 days advance notice** to the employee or dependent before taking the action to retroactively terminate the coverage. This 30-day requirement is intended to allow the individual to appeal the employer's action.

You'll find more information, including an FAQ, online at PacificSource.com/healthcare-reform.aspx.

Jenny Craig Coupon Available Online

As you may know, we offer two weight loss program options as a part of our PacificSource medical coverage: a Weight Watchers® program reimbursement and a Jenny Craig® program discount.

The Jenny Craig coupon is now available on our Web site, as well as program details and eligibility requirements. Visit the For Our Members>Health and Wellness Programs area of PacificSource.com.

New Prenatal Program Supports Expectant Parents

Beginning January 1, 2011, our new PacificSource Prenatal Program will replace the Expectations program. Other than the name, program administrator, and new phone numbers, members should notice little change. PacificSource Registered Nurses Sheila Spear and Lois Stevens will work directly with our pregnant members. Anyone already registered with the Expectations program will complete that program. As of January 1, new participants will enroll in the PacificSource Prenatal Program.

New program phone numbers will be available before January. In the meantime, members can call us at (541) 225-1945 or toll-free (888) 691-8209, ext. 1945 for more information. Updated fliers will also

be available as we near January, and we will update the information on PacificSource.com.

Studies show that more than half of premature births may be avoided with the right prenatal care. The goal of our Prenatal Program is to offer support and education to help expectant mothers and fathers successfully manage this important time to reduce their risk of delivering early.



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