



BEYOND
BENEFITS

Going Beyond...

Spring Edition
2007

BEYOND BENEFITS, INC. NEWSLETTER

Inside this Issue:

From the President	1
FSA Updates	2
COBRA Corner	3
Company Information	4

Beyond Benefits News...

Beyond Benefits, Inc. has been nominated for the third time in the Nashville Business Journal's Best in Business Awards for 2007. This award honors some of Middle Tennessee's fastest growing companies and best managed companies. The winners will be announced in May 2007. We thank you for your support!

From the President

Dear Friends,

2007 has started out wonderfully for us and I hope it has for you too! We are so excited to have formed so many new relationships over the past few months and to be able to work with so many wonderful folks.

One thing we know for sure in the benefits world, is that change is constant. While we faced some unique challenges in 2006, we have grown tremendously and have been able to develop many new relationships. We are stronger than ever now, thanks to you!

We have broadened our scope of services to include HRA and HSA Administration. In addition, at the request of many clients, we are in the process of developing an FMLA and Leave of Absence tracking service to be able to remove this compliance burden from our clients. I don't know of many employer groups who do not struggle with this complex HR responsibility.

We appreciate you and your faith and confidence in us. If there is anything we can do for you, please do not hesitate to call on us. We wish a very prosperous 2007.

Kelly Hancock
President & CEO



Beyond Benefits, Inc. is now certified as a Women's Business Enterprise (WBE). **What does this mean?** It means that BBI is certified as majority owned, operated, and controlled by one or more females.

The mission of the Women's Business Enterprise Council Southeast (WBEC-SE) is to identify business opportunities for women-owned businesses and to provide qualified suppliers to buyers. The Women's Business Enterprise National Council (WBENC) was created in early 1997 to meet the need for access to a nationally recognized standard of certification for Women's Business Enterprises. Endorsed by corporations, organizations and agencies that recognize the benefit to their communities of eliminating market barriers, WBENC utilizes the networks and expertise of a coalition of local women's business organizations whose collective mission can best be described as serving the business support needs of America's women-owned and operated small businesses. WBENC currently has fourteen certifying organizations located in major cities across the United States who are often referred to as regional partner organizations.

840 Crescent Centre Drive, Suite 400, Franklin, Tennessee 37067 (615) 224-1600, (888) 518-6684 Fax (615) 224-1624
www.beyondb.com

Exciting News Regarding Flexible Spending Accounts

We are proud to announce that clients utilizing the MBI benefits card will find administration a little easier. Metavante (mbi) has formed a relationship with Wal-Mart Stores, Inc. to automatically substantiate purchases made with the MBI Benefits Card at Wal-Mart and Sam's Club stores. Wal-Mart will manage an Inventory Information Approval System (IIAS) compliant with IRS requirements and exclude non-FSA eligible items from purchases made with the MBI Benefits Card.

How Will It Work at Wal-Mart and Sam's Club?

When Wal-Mart or Sam's Club associates scan items, they ask for payment and the cardholder presents the MBI Benefits card. The card is swiped, and based on the first six numbers of the card, called the bank identification number or BIN; the items are sorted as FSA eligible and non-FSA eligible. The FSA-eligible total amount is transmitted as a pre-authorization amount to MBITIME and if authorized, the transaction will be considered auto substantiated. The associate will process the FSA eligible amount with the MBI Benefits card and then ask for another form of payment (cash, card, check) for the non-FSA amount. This experience is similar to the Drugstore.com consumer experience today.

Look for more Non-Medical related companies to place the IIAS in place as 2007 progresses—which only makes the card transactions more user friendly! For more information regarding this news, please contact your account manager at Beyond Benefits, Inc.

Information Tips on FSA Benefits Card

The information and tips below will help you and your participants use the FSA Benefits Card and maximize it's benefits.

The Basics:

- An FSA Benefits Card works just like a bank debit card to be used to pay for eligible out-of-pocket healthcare expenses.
- The card can be used for qualified un-reimbursed medical, dental and vision expenses (exception of cosmetic procedures), over-the-counter medicines, co-payments and deductibles at any healthcare provider or pharmacy that accepts MasterCard.
- The card can be used for mail order prescription drug purchases and purchases can be made on line.
- The limit on the card is equal to your annual healthcare election amount in your FSA.

Receipts for products and services purchased with the FSA Benefits Card

- **SAVE, SAVE, SAVE** all of your receipts from purchases made with the FSA Benefits card.
- Receipts may be requested for any and all purchases made with your FSA Benefits card.
- IRS has strict requirements for substantiation of eligible purchases made with the card.
- Receipts must include the date of service, type of service, provider name and the amount charged.

Did you Know...

- BBI has the ability to link MBI with your Pharmacy vendor to auto adjudicate prescriptions. (Ask us for details)
- We can add individual exceptions for recurring claims, thus preventing the request for receipts each time.
- By providing us with an email address, participants can have their receipt requests emailed to them for faster processing.
- You can obtain additional items from our website at www.fsaconnection.com such as:
 - Claim forms
 - Additional Card request forms
 - Most commonly used OTC (Over The Counter) items and other OTC information
 - Our claim address, toll free customer service and fax numbers.

BBI News

Coming Soon — revised and updated COBRA and FSA Employer Administrative Manuals.

Also... Our long-awaited Flexible Spending Account Website Employer Reporting will soon be available. This release presents three new reports that should service many purposes: Transaction Summary Ledger; Employee Elections; and Check Register. In addition, you will have the ability to open each report as a spreadsheet right on the web page! Watch for details about the enhancement.

From Our HR Compliance Department

As employer health care cost increases have begun to stabilize more companies are focused on encouraging employees to become better consumers of health care according to Watson Wyatt/National Business Group on Health annual survey published on March 15, 2007. Over all health care cost grew by 8% in 2006 and are expected to remain level in 2007 and 2008 representing a sharp decline since 2002, when costs grew by 14.7%. This leveling of employer expenses can be attributed to cost containment measures incorporated into plan design, employer sponsored health education programs and to some extent Consumer Driven Health Care Plans. These plans will continue to have an increasing influence on health care cost reduction as employer's and their employees become aware of the premium savings and tax advantages of these plans.

Beyond Benefits is dedicated to providing creative Benefit Administration solutions in an ever changing benefits landscape to our clients. To that end we are pleased to inform you of our ability to provide full service Third Party Administrative Services for Health Savings Accounts and Health Reimbursement Arrangements. Contact us for more information at (615) 224-1600.

Severance packages and COBRA Avoiding the "Loss of Coverage" Trap

Today, many employers are offering severance packages to employees involved in a layoff. An often overlooked COBRA issue, is the manner in which these severance packages are structured. If the package is improperly structured, an employer may be inadvertently delaying the loss of coverage for its former employees and subjecting itself to the possibility of uninsured claims, notice penalties and/or excise taxes.

Under current COBRA regulations, qualified beneficiaries involved in a layoff are entitled to a maximum of 18 months of continuation coverage, unless the qualified beneficiary becomes disabled or experiences a second qualifying event. This COBRA period, for purposes of the qualified beneficiary, begins on the later of the qualifying event date or the loss of coverage.

If an employer elects to provide benefits during a severance period, a problem arises in how the package is communicated to former employees. For example, Company A may state that it will pay for three months of health insurance coverage. Because of the manner in which the package is communicated, the former employees stay on the active insurance bill

for an additional three months. If a former employee under this type of arrangement were to experience a large claim, the carrier may perform an eligibility audit and deny the claim under the contract's "actively at work" provisions. A second possibility is that the carrier may refuse to accept the former employee as a COBRA participant.

COBRA is an employer law, not an insurance law. Carriers will accept COBRA participants within the statutes' time-frames, but if an employer artificially extends those time-frames by delaying the loss of coverage, the insurer is under no obligation to clean up the employer's mistake. Too often, employers end up self-insuring claims because they inadvertently delayed the loss of coverage.

A far better course of action is to communicate to the former employee that as part of the severance package, the employer will pay for the first three months of COBRA continuation. The qualified beneficiary is responsible for COBRA premium payments commencing on the fourth month. A severance package structured in this manner may help an employer avoid the "loss of coverage" trap.



▪ B E Y O N D ▪
B E N E F I T S

CONTACT US AT...

840 Crescent Centre Drive, Suite 400
Franklin, TN 37067

(615) 224-1600 (Local)
(888) 518-6684 (Toll Free)
(615) 224-1624 (Fax)
Email: info@beyondb.com

Normal Business Hours 8:00-5:00pm CST
Monday - Friday

MISSION STATEMENT

Beyond Benefits is a dynamic organization dedicated to providing each client with a unique level of customer service. Our commitment is to exceed the industry standard in benefits administration with our leadership, knowledge, and Integrity. We provide service beyond your expectations!

REMINDER

2007 Holiday Schedule

Our offices will be closed for the following holidays

January 1	New Years Day
April 6	Good Friday
May 28	Memorial Day
July 4	Independence day
September 3	Labor Day
November 22&23	Thanksgiving
December 24&25	Christmas

BEYOND BENEFITS WELCOMES...

Our Newest Clients

Community Health Systems	ARC of TN
Century II	Delek Holdings
Four Rivers Behavioral Healthcare	Group Steel
Jefferson UR Assoc. LLC	Nashville Breast Center
Old Natchez Country Club	Resilient Furniture
Sunrise Manor	Developmental Services
Dillingham & Smith	Olan Mills
COI Food Services	City of Gatlinburg
Hamilton Country Dept. of Education	City of Fairview
America's Powersports	Bridgestone Metalpha
City of Sevierville	Harriman Utility Group
Haven Behavioral Healthcare	Yorozu
Ellis Moving & Storage	LEP Special Fasteners
Smoky Mountain Home Health	EASI
Employee Benefits Specialists	Alive Hospice
Bytes of Knowledge	Roane County Govt.
The Soils Group	

Our Newest Employees

Robin Clark
Executive Assistant

COBRA Customer Service
Sandi Pippin

FLEX Customer Service
Maya Brogden
Carean Brown
Karen Van Hoozier

WE'RE ON THE WEB!
WWW.BEYONDB.COM

Thank you for your continued business and referrals. We look forward to a long lasting partnership with you and your employee. If there is ever anything we can help you with, please feel free to contact us.

Copyright 2004 by Beyond Benefits, Inc. All Rights Reserved. This publication is designed to provide accurate and authoritative information to the subject matter covered. It is sent to you with the understanding the publisher is not engaged in rendering legal or accounting advice. The services of an attorney should be sought in connection with any legal matter covered.