

Video Transcript

Hello. I'm O.S. Hawkins, President of GuideStone Financial Resources with an update on healthcare reform and the changes scheduled to be implemented on January 1, 2011.

Over these last several months, our team of health plan experts have been busy seeking to interpret and learning how to implement the changes that are going to affect GuideStone insurance plans and you, our participants. These changes affect not only our medical plans, but they affect you as an employer and you as consumer as well.

GuideStone is deeply committed to serving those who serve the Lord. And as healthcare reform changes the way Americans are going to receive healthcare, we want to be here to prepare you as well as it is within our ability – and to help you adapt. The financial security of your family and the ministry you've received from the Lord are of utmost importance to us: and it is the reason we exist. The items addressed today are not an exhaustive or detailed list of changes many of which we don't even know yet, but rather those we consider the most important to you and your ministry at this time.

So let's start with an overview of the 2011 changes reflected in GuideStone's own medical plans. A more detailed list of changes can be found at GuideStone.org/HealthReform. Our interactive healthcare reform timeline is especially effective in displaying the key legislative changes as they are due to be implemented soon.

First of all, regarding GuideStone Insurance plans.

Rather than wait until January 1st, GuideStone has already implemented the new age limit for dependent medical coverage. Under the new healthcare reform law, health plans that offer coverage for dependents will be required to cover children until they turn age 26. You can call us today to discuss adding your own adult child to your plan.

Next, group health plans are prohibited from imposing lifetime dollar limits on essential healthcare benefits. You know for more than a decade, GuideStone medical plans have provided unlimited lifetime benefits for all of our participants. So this is nothing new to us. We will continue to extend this benefit of course to all of our plans.

Also already effective, children under age 19 with GuideStone medical plan coverage will not be subject to coverage limitations due to pre-existing health conditions.

To allow for greater flexibility for employers, GuideStone has chosen not to grandfather any of our health plans, which simply means that all of our plans will offer the minimum features of the new legislation. You have the option to keep the same plan if you'd like, or you can change plans each year as you feel it is appropriate for you or your family.

Also in 2011, certain smaller employers may be eligible to establish Simple Cafeteria Plans to provide tax-free benefits to their employees. This may be an excellent option for many of our small churches. It

reduces the administrative burden and associated cost. We are awaiting federal guidelines on how these Simple Cafeteria Plans can and will be set up.

Finally, let's discuss the impact on employees and consumers.

For consumers, whether employees or self-employed, there are certain benefits that have already started or will start by January 1, 2011:

- First, as it affects those on Medicare, already in place is the beginning of the closure of the Medicare Part D coverage gap or what is commonly called the "donut hole." This coverage gap will be phased out completely by 2020. In 2010, seniors whose prescription drug spending exceeds the initial coverage limits and places them in the coverage gap will receive a \$250 rebate from the federal government. Prescription drug benefits for Part D plans will increase each year until there is no longer a gap.
- Second, eligible individuals who do not have other coverage and cannot obtain individual coverage now have access to a federal high-risk pool that does not impose exclusions for pre-existing conditions. This pool is now open and accepting enrollees.
- Finally, a major item of change scheduled for 2011 relates to the appeals process. Health plan participants will have the right to appeal decisions, including claim denials or rescissions, made by their health plan. GuideStone already offers an appeal process for its participants and will continue to do so.

As I mentioned earlier, a more detailed list of changes can be found online at our website, GuideStone.org/HealthReform. You'll find a list of Frequently Asked Questions, our interactive healthcare reform timeline with key implementation dates all the way to 2018, and updates on this legislation as we have them.

Please stay tuned to these updates. As we learn more, we will certainly make sure to clearly communicate any changes that may affect you or the ministry you've received from the Lord.

Thank you for the privilege of serving those who serve the Lord. And may the Lord bless you today, not only in your life but in that wonderful ministry you've received from the Lord.