

OUR NEWS LETTER



Social Security benefits to go up by 1.5 percent in 2014; increase among lowest in years

AP By Stephen Ohlemacher, Associated Press | Associated Press

WASHINGTON (AP) -- Social Security benefits for nearly 58 million people will increase by 1.5 percent next year, the government announced Wednesday.

The increase is among the smallest since automatic adjustments were adopted in 1975. It is small because consumer prices haven't gone up much in the past year.

The annual cost-of-living adjustment, or COLA, is based on a government measure of inflation that was released Wednesday morning.

The COLA affects benefits for more than one-fifth of the country. In addition to Social Security payments, it affects benefits for millions of disabled veterans, federal retirees and people who get Supplemental Security Income, the disability program for the poor.

The amount of wages subject to Social Security taxes is also going up. Social Security is funded by a 12.4 percent tax on the first \$113,700 in wages earned by a worker, with half paid by employers and the other half withheld from workers' pay.

The wage threshold will increase to \$117,000 next year, the Social Security Administration said. Wages above the threshold are not subject to Social Security taxes.

About 165 million workers pay Social Security taxes. About 10 million earn wages above the threshold, the agency said.

Social Security pays retired workers an average of \$1,272 a month. A 1.5 percent raise comes to about \$19.

"By providing protection against inflation, the COLA helps beneficiaries of all ages maintain their standard of living, keeping many from falling into poverty," said AARP executive vice president Nancy LeMond. "The COLA announced today is vital to millions, but at an average of just \$19 per month, it will quickly be consumed by the rising costs of basic needs like food, utilities and health care."

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The COLA announcement had been scheduled for two weeks ago. It was delayed because the Bureau of Labor Statistics did not issue the inflation report for September during the partial government shutdown.

Since 1975, annual Social Security raises have averaged just over 4 percent. Next year will mark only the seventh time the COLA has been less than 2 percent, including several recent ones. This year's increase was 1.7 percent. There was no COLA in 2010 or 2011 because inflation was too low.

In some years, part of COLA has been erased by an increase in Medicare Part B premiums, which are deducted automatically from Social Security payments. But Medicare announced Monday that Part B premiums, which cover doctor visits, will stay the same in 2014, at \$104.90 a month for most seniors.

By law, the cost-of-living adjustment is based on the consumer price index for urban wage earners and clerical workers, a broad measure of consumer prices generated by the Bureau of Labor Statistics. It measures price changes for food, housing, clothing, transportation, energy, medical care, recreation and education.

The COLA is calculated by comparing consumer prices in July, August and September each year to prices in the same three months from the previous year. If prices go up over the course of the year, benefits go up, starting with payments delivered in January.

Lower prices for gasoline are helping keep inflation low, said Polina Vlasenko, a research fellow at the American Institute for Economic Research.

The average price of a gallon of regular gasoline has dropped over the past year from \$3.53 to about \$3.28, according to the automotive club AAA. Overall transportation costs have dropped by 2 percent in the past year, according to the Bureau of Labor Statistics.

Prices for food and beverages have gone up by 1.4 percent, while clothing costs have gone up by 0.7 percent.

Automatic COLAs were adopted so that benefits for people on fixed incomes would keep pace with rising prices. Some advocates for older Americans, however, complain that the COLA sometimes falls short, especially for people with high medical costs.

Over the past year, medical costs went up less than in previous years but still outpaced other consumer prices, rising 2.4 percent, according to the government report. Housing costs went up 2.3 percent.

Obamacare website security at 'high risk' before launch -memo



Janet Perez (R) oversees specialists (top) as they help callers and potential customers find health insurance at a customer contact and call center for HealthSource RI, Rhode Island's health insurance exchange program for the Affordable Care Act or "ObamaCare," in Providence, Rhode Island October 25, 2013.

Credit: Reuters/Brian Snyder

BOSTON | Wed Oct 30, 2013

(Reuters) - The security of the Obama administration's healthcare website was at "high risk" because of lack of testing before it opened for enrollment on October 1, according to a government memorandum reviewed by Reuters on Wednesday.

The HealthCare.gov site collects a trove of sensitive data, such as Social Security numbers, email addresses, phone numbers and birth dates that could be used by criminals in an array of schemes.

A government spokeswoman said on Wednesday that steps to mitigate security concerns have been implemented since the memo was written on September 27 and that consumer data is secure.

"From a security perspective, the aspects of the system that were not tested due to the ongoing development exposed a level of uncertainty that can be deemed as a high risk," said the memo from Department of Health and Human Services officials James Kerry and Henry Chao.

The memo recommended the creation of a dedicated security team, weekly testing of servers, daily scans and a full security assessment within 60 to 90 days of launch. It provided for a temporary, six-month authority to operate the system.

According to the document, the recommendation was approved by Marilyn Tavenner, administrator of the Centers for Medicare and Medicaid Services, the lead agency at HHS managing the 2010 Affordable Care Act, commonly called Obamacare.

The law, Obama's signature domestic policy, was passed in his first term and upheld by the U.S. Supreme Court last year. It mandates everyone have health insurance or pay a fine and created online marketplaces for people to choose plans.

The September 27 memo came up during a U.S. House of Representatives hearing on Wednesday to question HHS Secretary Kathleen Sebelius about technical problems that have stalled access to the website for millions of consumers. Sebelius confirmed its main points and said the plan to ensure security was underway.

Sebelius said that the site had a temporary certificate, known as an "authority to operate" and that the agency would issue a permanent certificate once security concerns were alleviated.

Yet HHS spokeswoman Joanne Peters said that during the interim the public need not worry about the security of data entered on the site, which helps them identify and enroll in health insurance plans.

"When consumers fill out their online Marketplace applications, they can trust that the information they're providing is protected by stringent security standards and that the technology underlying the application process has been tested and is secure," she said.

Meanwhile, Connecticut's state-run online exchange disclosed on Wednesday that it had experienced five attempted cyber attacks, including two from a foreign country.

"We had to get the NSA involved," Kevin Counihan, executive director of the exchange that is known as Access Health CT, told reporters on a conference call.

A spokeswoman for the National Security Agency declined comment. Counihan said the exchange had passed cybersecurity tests before it opened on October 1.

3 Money Mistakes That Will Come Back to Haunt You



By Geoff Williams / U.S. News & World Report LP –

It was an all-you-can-eat buffet, costing around \$12.95, as Mim King recalls. About 10 years ago, King, a professional organizer and money manager in St. Paul, Minn., learned that one of her clients had gone to a restaurant, and he was determined to eat all he could.

"He stayed beyond what most people would consider a reasonable time, simply in order to eat," King says. Before the day was over, his family took him to the hospital to get his stomach pumped. King never learned the cost of the hospital bill, but she is betting that it far exceeded her client's meal.

Everyone makes money mistakes, but if there's a theme connecting many of them, it's that if we stopped and thought about it, we'd realize what we're doing isn't going to end well. While King's client didn't predict he'd wind up in a hospital, if he had thought through his plan beforehand, he might have left after, say, the third or certainly the fourth helping.

In that spirit, here are a few common money management mistakes - and why these decisions are likely to haunt you.

Going to Graduate School Without Thinking It Through

Why it will come back to haunt you: Graduate school isn't cheap. Price tags are all over the map, ranging from a relatively low \$21,000 a year for business school at Brigham Young University's Marriott School of Management to \$63,200 a year at Harvard Business School. The last thing you need is to graduate and realize you really aren't cut out for your new career.

The consequences: That realization is not uncommon. Shane Fischer, a criminal defense attorney in Winter Park, Fla., says he sees it all the time. He knows many lawyers who hate what they do "but went to law school because they hadn't 'found themselves' at 22. They racked up \$100,000 to \$200,000 in debt before their 25th birthday. Unless they hit the lottery or get lucky with a big case, their student loan debt will be an albatross around their neck for the rest of their careers, as they will never make enough money to bounce back from the debt as well as the lost income from taking additional years off to go to school."

Which may not be so bad if you love what you do. But if you hate it, the decision will plague you, quite possibly for the rest of your life.

Taking Out an Expensive Loan You Can't Afford

Why it will come back to haunt you: Maybe you'll be able to pay it back, but if you're honest with yourself, you probably won't. After all, the reason the high-interest loan you're considering is so expensive is that you had trouble paying back the previous loans you've taken out. How is this one going to be any different?

The consequences: Desperate times, as they say, call for desperate measures. But some loans are so punishing that desperate consumers would be better off taking whatever lumps are coming to them.

While some credit cards have exorbitant interest rates, and payday loans are well-known as an expensive way to borrow money, among the worst of the worst are car title loans.

The Center for Responsible Lending reported earlier this year that approximately 7,730 lenders give out \$1.6 billion in car title loans every year, and to get that money, consumers spend \$3.5 billion a year in interest. It's a form of predatory lending that is illegal in about half the states, which says a lot.

Here's how it works: A typical borrower receives cash equal to 26 percent of the car's value and pays 300 percent APR. If consumers don't pay back what they borrow, they lose the car. Because most people are determined not to let that happen, they renew the loan - paying back only the monthly interest and renewing the loan for another 30 days. Consumers who borrow \$950 typically take eight months before paying back the loan and spend more than \$2,140 in interest.

Failing to Save for Retirement

Why it will come back to haunt you: The reasons are obvious: Nobody wants to find out what happens when you have to choose between buying food or medicine.

The consequences: If you're making this mistake now, you're not alone. A new Wells Fargo study, which surveyed 1,000 middle-class Americans from their 20s into their 70s, reports that 37 percent of people don't expect to ever retire, and they plan to work until they're too sick to do anything else - or die - whichever comes first.

Two years ago, Ken Bodnar, then 55, was pretty sure his future was going to involve being "the most educated greeter that Wal-Mart would ever have."

Bodnar surely means no offense to minimum-wage earners, but from a salary standpoint, it would have been a step down. He had just lost his job as the chief technology officer at a prepaid debit card and money transfer company in Nassau, Bahamas, a position he had been offered two years earlier when he was toiling in a cubicle in Ottawa, Ontario. It was 2011, and Bodnar was an unemployed expat supporting his 24-year-old daughter. He had nothing saved for retirement.

As it turned out, Bodnar was able to save himself from being a cautionary tale. For the next two years, he worked in a series of odd jobs, proving his worth to employers and bringing in what money he could. Bodnar eventually landed at SelectBidder.com, a wholesale inventory website for the auto industry, where he is currently the chief technology officer.

And, yes, he is finally saving for retirement and has a healthy amount of money already stashed away. He also no longer has any debt, which he abhors and suggests everyone in their mid-50s and beyond start hammering away at if they haven't already.

"Debt puts you further behind the eight ball than you really need to be," says Bodnar, who is able to put a lot toward retirement partly due to scaling back his expenses. "I live frugally, and it doesn't kill me."

But Bodnar can see another alternate reality, one that he came awfully close to, and it haunts him to think about it. He imagined himself "slinging fries at McDonald's, knowing how to fix the malfunctioning electronic sales register *and* the global networking that it was connected to."

The 10 Best and Worst Foods to Eat for Sleep



Karen Pearson/FITNESS Magazine By Melissa Romero

Ah, sleep. It's something we relentlessly crave, but we never seem to get enough of it. Aside from the daily stressors in life, there's one big thing that can keep you from snoozing -- your diet. Here, the best and worst foods to eat for sleep.

Best: Cereal and Milk

Your go-to breakfast staple can also moonlight as the perfect pre-bedtime snack. Eating a combination of carbohydrates and protein enables our bodies to produce the "happy hormone" serotonin, which in turn produces melatonin, a neurotransmitter that has a calming effect, explains Danielle Omar, a DC-based registered dietitian. Just stay away from sugary cereals to avoid getting a sugar high right before bed. Other safe nighttime snack bets include cheese and crackers, cottage cheese and fruit, or oatmeal with milk for a similar soothing effect.

Worst: Protein

While protein is a vital part of our daily diets, too much of it means less sleep at the end of the day. "High-protein diets have a tendency to give you more energy and not calm you down," says Dr. Michael J. Breus, author of *The Sleep Doctor's Diet Plan*. Instead, remember to munch on a high-carb, low-protein snack that's no more than 200 calories before bed.

Best: Passionfruit

Though not always available in the nearest supermarket, it's worth finding if you're in need of some serious shuteye. Passionfruit contains somniferum, which has sleep-inducing properties. Omar recommends eating the fruit as is, or try it as a juice or tea.

Worst: Alcohol

Sure, your eyelids may start drooping after that second glass of wine, but chances are you'll have a restless night of sleep once you turn in. "After drinking alcohol, usually you get drowsy and fall asleep," says Omar. "But you don't get into the REM stage of sleep." When that happens, you're kept from achieving a deep, uninterrupted sleep -- as the bags under your eyes will tell you the next day.

Best: Bananas

Often called "a pill in a peel" by experts, bananas contain high levels of magnesium, a mineral that acts as a muscle relaxant, which can help us start snoozing faster. Also extremely helpful is the whopping 422 milligrams of potassium one banana contains, since studies have shown potassium can help regulate sleep patterns and nerves.

Worst: Fatty Foods

The fattier your dinner is, the less sleep you'll get, warns Dr. Breus. Eating foods high in fat (especially ones that are greasy or fried) will likely cause uncomfortable heartburn or stomach issues when you lie down. Stick to low-fat snacks and make sure to eat at least two hours before hitting the hay.

Best: Cherry Juice

A 2011 study published in the *European Journal of Nutrition* found that tart cherry juice is a great sleep aid. Adults who drank two glasses of cherry juice daily slept an average of 39 minutes longer than usual. Turns out cherries boast some of the highest levels of melatonin among natural foods, explains Dr. Breus. Try a small nighttime smoothie to start dreaming with 1 cup concentrated tart cherry juice, half a banana, 1/2 cup soymilk, and 5 crushed ice cubes.

Worst: Spicy Food

Not only will that Thai takeout leave your mouth on fire, it may cause nightmares, says Dr. Breus. "I've had patients who've said when they eat a spicy meal it affects their dreams at night." Backing up these claims is a study published in the *International Journal of Psychophysiology*, which found that subjects who ingested Tabasco sauce and mustard with their dinner had elevated body temperatures during their first sleep cycle, causing sleep disruption and more awake time at night.

Best: Warm Milk

Most of us were fed warm milk as babies and toddlers to help us fall asleep, but the science behind why the drink makes us sleepy is lacking, says Dr. Breus. "There's not enough tryptophan in a glass of warm milk -- you'd have to drink a gallon and a half of it to feel any effect." It's likely that warm milk works as a placebo for inducing sleep because it's comforting. Hey, whatever works, right?

Worst: Caffeine

The effects of caffeine may be obvious, but what's not so obvious is that the stimulant stays active in our bodies for eight to ten hours. "The effects vary from person to person, but by the afternoon you should cut off the caffeine," says Omar. And that doesn't just mean that third cup of coffee after lunch. "That means chocolate too!" she says.

PEDIATRICIANS CALL FOR LIMIT ON KIDS' SCREEN TIME

By GenevraPittmanReuters *October 28, 2013*

NEW YORK (Reuters Health) - Families should make a "media use plan" and set clear rules about TV, cell phones and other devices, pediatricians said today.

That includes limiting kids' screen time to one or two hours per day. Parents should also keep children's rooms free of TV and Internet access, according to a policy statement from the American Academy of Pediatrics (AAP) Council on Communications and Media.

"We're not media-bashers," Dr. Marjorie Hogan, one of the statement's lead authors, said. "We love media." The question, she said, is how to use it for good.

Hogan, from the University of Minnesota in Minneapolis, said media can influence kids' lives in many positive ways. Some TV shows like Sesame Street have been shown to help preschoolers learn or to promote empathy, for example.

"For teens, connectivity, being connected to your peers, having a chance to create your persona, can be a really positive thing," she told Reuters Health.

And children who have to take long medical absences from school can use online education programs to keep up, the Council writes in Pediatrics.

But too much TV and other media use have been tied to obesity, sleep and school problems and aggression.

Currently, the average child spends about eight hours in front of screens each day, according to the policy statement. That makes screen time the leading activity for young people after sleep.

"Over the past ten years; the amount of media that kids hang out with and spend time with on a given day has increased," said Amanda Lenhart.

She directs research on teens, children and families for the Pew Research Center's Internet & American Life Project and wasn't involved in the new recommendations.

"We certainly see that more kids have access to mobile phones," Lenhart told Reuters Health.

"Certainly your average child now has more computing power in their pocket than they did a decade ago."

But TV is still the "predominant form of media" used by kids and teenagers, Hogan said. "More kids watch more hours of TV than other forms of media," she said.

The new statement was presented Monday at the AAP National Conference & Exhibition in Orlando, Florida.

Lenhart said she was happy to see the Council "trying to walk a middle ground" by helping parents and schools see the ways media can be both helpful and harmful.

"I was really pleased to see at least an attempt to balance the positive with the negative," said Lenhart. Many organizations just focus on the ways TV and other forms of media are bad for kids, she said.

Along with limiting screen time and keeping Internet-connected devices out of kids' rooms, parents should monitor what their children are accessing online. They should also watch TV shows and movies with them, according to the recommendations.

Children under two years old should not be watching TV or other screens, the Council wrote.

At that age, "there's just no benefit," Hogan said.

U.S. Allows \$500 Carry-Over in Health Flexible Spending Plans

By Ian Katz & Margaret Collins - Oct 31, 2013

The U.S. loosened a rule on health flexible spending accounts to allow plan participants to carry over as much as \$500 of their balances into a new year.

The Internal Revenue Service and Treasury Department changed the “use-or-lose” stipulation, ending a policy of almost 30 years that required employees to forfeit funds that are set aside for expenses related to health care.

The rule is “a step forward for hard-working Americans who wisely plan for health-care expenses for the coming year,” Treasury Secretary Jacob J. Lew said today in a statement.

Flexible spending arrangements, or FSAs, are a benefit offered by employers that allow workers to pay some medical out-of-pocket expenses with pretax dollars. Typically money in an FSA must be spent within a year to 14 1/2 months or it’s forfeited.

“No longer is there a fear going forward that you could lose the money at the end of the year,” Joe Jackson, chief executive officer at WageWorks Inc. (WAGE), which administers benefit accounts for employers, said in an interview. “The biggest deterrent has been the use-it-or-lose-it proposition.”

About 35 million Americans use FSAs, Jackson said. WageWorks, based in San Mateo, California, rose 2.9 percent today to \$51.21 in New York trading.

The U.S. Patient Protection and Affordable Care Act set a \$2,500 cap on contributions to FSAs starting in 2013 and prohibited using contributions in them for purchases of over-the-counter drugs without a prescription.

Employers are allowed to give workers a grace period for unused funds and under the new rule can continue to do so. The rule allows FSAs to have either a grace period or a carry-over, though not both.

“This was a good decision by the Treasury Department,” Senator Orrin Hatch, a Utah Republican, said in a statement. “Allowing Americans who have one of these accounts to roll \$500 over to the following year just makes sense and will give people more help to pay for out-of-pocket health-care costs.”

Doctor demand will grow by up to a third by 2025 - study

• By Andrew M. Seaman **NEW YORK** | Mon Nov 4, 2013

- (Reuters Health) - Driven by an aging population and increased access to health insurance, the U.S. will need more doctors by 2025, says a new study.

The expected rise in demand varies by state and medical specialty, according to the study's lead author.

"What's happening at the state level can be very different than what's happening at the national level," Timothy Dall told Reuters Health. He is a managing director at the research and information service firm IHS in Washington, D.C.

The new study, published in *Health Affairs*, looks at future demands for primary and specialized healthcare providers. Those specialists include cardiologists, neurologists and urologists.

The researchers used a computer model to estimate future healthcare demand by taking into account a growing and aging population and increased access to health insurance due to the Affordable Care Act - commonly known as Obamacare.

The U.S. Census Bureau projects the country's population will increase by 9.5 percent between 2013 and 2025. The Congressional Budget Office also estimates that an additional 28 million people will have health insurance by 2023.

The researchers found the expected increase in doctor demand was largely attributed to a growing number of diseases among an older population. Obamacare, on the other hand, was only linked to an increase of a few percentage points.

Overall, the researchers found the demand for primary care or family doctors will grow by 14 percent by 2025. That's less than the expected growth among some medical specialties.

Dall and his colleagues estimate that demand for vascular surgeons - who perform bypass surgeries and insert stents, for instance - will increase by about 31 percent and demand for cardiologists will increase by 20 percent.

But those estimates vary by state.

For example, though the demand for cardiologists is estimated to grow by 51 percent in Nevada, demand in West Virginia is only estimated to grow by 5 percent.

Dall cautioned that the estimates are subject to change based on healthcare delivery systems and behaviors.

For example, Dr. Reid Blackwelder, president of the American Academy of Family Physicians, said conditions that would drive people to see specialists are largely preventable with adequate primary care. Focusing on prevention and primary care would be expected to shift demand toward family doctors.

"As we start to recognize the foundational nature of true primary care and prevention, we're going to need more primary care providers to be that foundation," Blackwelder told Reuters Health.

Blackwelder, who was not involved with the new study, is also affiliated with East Tennessee State University's James H. Quillen College of Medicine in Johnson City.

"The bottom line is that care delivery patterns will change," Dall said.

He told Reuters Health the new study can't say whether the U.S. will experience a shortage of doctors by 2025.

Previously, the Association of American Medical Colleges estimated that the U.S. doctor shortage will grow to more than 130,000 by 2025.

"It's important that we continue to update projections and not wait a decade before we update them because things are continually changing," Dall said.

Popular Provision Of Obamacare Is Fueling Sticker Shock For Some Consumers

By JULIE APPLEBY KHN Staff Writer NOV 06, 2013

When setting premiums for next year, insurers baked in bigger-than-usual adjustments, driven in large part by a game-changing rule: They can no longer reject people with medical problems.

Popular in consumer polls, the provision in the health law transforms the market for the estimated 14 million Americans who buy their own policies because they don't get coverage through their jobs. Barred from denying coverage, insurers also can't demand higher rates from unhealthy people and those deemed high risks because of conditions including obesity, high blood pressure or a previous cancer diagnosis.



But the provision also adds costs. To a larger degree than other requirements of the law, it is fueling the “sticker shock” now being voiced by some consumers about premiums for new policies, say industry experts.

In setting next year's rates, insurers must factor in “assumptions about who will sign up, high users or healthy people,” said David Axene, a fellow of the Society of Actuaries. “You can imagine who most of the health plans thought would be predominantly signing up.”

Regulatory filings and comments from insurers show they expect that accepting the sick as well as the healthy could raise their claims costs 5 percent to 50 percent or more next year. That “would be the largest single factor” at Blue Shield of California, accounting for about a 20 percent increase in expected claims costs, said Mike Beuoy, director, actuarial services.

The focus on premiums has heightened in recent days, amid news reports about large numbers of individual policyholders nationwide who are learning that their current plans are being discontinued and they must choose a new policy.

To be sure, there are other factors affecting premium cost changes. For one, the law requires insurers include 10 benefits deemed essential by the law, including hospitalization, drugs, maternity care and mental health services, benefits not all plans sold to individuals currently include. Indeed, this is one of the major reasons insurers cite for discontinuing policies. Another provision caps consumers' annual out-of-pocket costs to no more than \$6,350 for individuals or \$12,700 for families, which could add to premiums as well.

Insurers must also charge men and women equally – and are limited to charging older Americans no more than three times what younger policyholders are charged, considerably less than they could before in many states.

Altogether, those changes for some consumers may mean a sharp increase in premiums between their soon-to-be discontinued policies and new ones being offered them by insurers, even for similar plans.

“I'm kind of shocked,” said Leo Lenaghan, who lives in the Chicago suburbs. The \$336-a-month BlueCross Blue Shield policy for his wife and daughter, which had a \$2,250 per person annual deductible, is being discontinued and the plan his insurer says is most similar to it in benefits will cost an additional \$205 a month. It has a \$3,000 per person deductible. “I guess we're just going to have to suck it up.”

Still, despite the factors that can drive up premiums – including medical inflation – not all consumers will see higher prices. Health law rules mean people who are older and sicker may see a drop from what they're paying now. And about half of consumers who currently buy their own policies will be eligible for a subsidy to help offset the premium cost, according to a study released in August.

BlueCross BlueShield of Illinois would not comment specifically on Lenaghan's situation, but spokeswoman Lauren Perlstein said that the health law will "expand access to health care coverage for millions and may offer additional benefits for many [and] ... the impact on premiums may vary widely."

The changes make the so-called individual market more comparable with the way insurers price and offer coverage to employers, where rules have long been in place barring them from rejecting employees with health conditions. Employer coverage also generally covered more benefits with lower deductibles and fewer restrictions than policies purchased by individuals, who sometimes did not realize the limits of their coverage.

"We as consumers may not know just how lacking our current policies are because it seemed like a good value and we didn't use it much," said Michael Lujan, a health benefits consultant and former director of sales and marketing for Covered California, the state's new online marketplace.

The less their policies covered previously, the more consumers' premiums are likely to rise, experts say. While adding some benefits only costs "pennies on the dollar," said Georgetown University research professor Sabrina Corlette, others are more expensive. A Maryland Health Care Commission report from last year, for example, said the state's requirement that insurers include maternity coverage added about 4 percent to the cost of a premium.

The actuarial firm Milliman estimated that changes from the health law – including the take-all-applicants provision - could be expected to result in about a 14 percent increase to the average premium in California. On top of that, general medical inflation from 2013 to 2014 would add another 9 percent. Of all the factors, the biggest cited by Milliman was the guaranteed coverage provision.

Actuaries say the impact of that provision on premiums is unlikely to recur in future years because insurers are factoring in this cost now, based on projections of the ratio of sick to healthy customers. "Once it's built in, unless they were wrong, it won't be repeated," said Axene.

But insurers' estimates may be off. Troubles with the federal website and some state sites may discourage enrollment by younger or healthier people who see less incentive to buy coverage. "All insurers I talk with are absolutely terrified," said Brian Haile, senior vice president, health care policy at tax preparation firm Jackson Hewitt. "They made assumptions about the number of young people entering the market ... which may now be overly optimistic."

Brady Cass, president of Asuris Northwest Health in Washington State, said only time will tell. Asuris, a subsidiary of Regence BlueShield of Washington, estimated that the requirement that they take all applicants will add about 8 percent to the cost of next year's premiums.

"Did we overshoot the runway or come up short? Only way to get there is to get to the end of runway and look back," said Cass. "The hope is the actuary team has done a very good job at predicting the risk mix coming in."

If they underestimated, premiums might rise more in future years, he said. If they overshot, some consumers might see a rebate, as required by the health law. Asuris is getting a lot of calls from people wondering why, if they're healthy, that they have to pay more to cover those who are not.

"It's the many helping the few," he said, likening it to buying home owners insurance and paying in year after year, money that goes to help other people whose homes burn down. "That's the concept of insurance, lots of people coming together to help those in time of need."

Up to 40 percent of Obamacare’s ‘back office’ functions yet to be built, tech chief says



Alex Wong/Getty Images - Henry Chao, deputy CIO and deputy director of the Centers for Medicare and Medicaid Services' Office of Information Services, testifies during a hearing before the Oversight and Investigations Subcommittee of the House Energy and Commerce Committee on Tuesday.

By SandhyaSomashekhar,

Henry Chao, the Obama administration official who oversaw the technical development of the federal health insurance marketplace, said Tuesday that his team has yet to complete 30 to 40 percent of the overall project.

Speaking before a subcommittee of the House Energy and Oversight Committee, Chao said the Centers for Medicare and Medicaid Services is still working on a number of “back office” aspects of the project, including a system to send payments to insurance companies.

Graphic



Although enrollment numbers for insurance exchanges set up in states by the federal government won't be available for several weeks, states operating their own health-care insurance exchanges under the Affordable Care Act, and the District of Columbia, have started to release enrollment data.

All your Obamacare questions answered



We've compiled questions and answers around the topics discussed most, so you can browse what others have asked and get answers of your own.

Have you used the new health insurance exchanges?



Charity Brown

What has been your experience with the online insurance exchanges?

What's going on with HealthCare.gov?



SandhyaSomashekhar, Amy Goldstein, Sarah Kliff and Lena H. Sun

Everything you need to know about the rollout of the new health insurance marketplace.

Your Obamacare questions, answered



Casey Capachi

Still left wondering about Obamacare? Wonkblog's Sarah Kliff and PostTV's "In Play" have the KliffNotes version for you.

Obamacare: Understanding the Affordable Care Act



Washington Post staff

Everything you need to know about navigating Obamacare.

Parts of the project that users would see — notably the Web portal, HealthCare.gov — are 100 percent finished, he said. But “the accounting systems, the payment systems, they still need to be” completed, Chao said.

The payment system Chao referred to relates to the subsidies many low- and middle-income people will receive to help them buy insurance on the state and federal Web sites. In most cases, government subsidies will be paid directly to the insurers. People getting the subsidies will simply pay the discounted premiums.

Also yet to be finished is a component that ensures that the state and federal marketplaces and the insurers have accurate, matching information about enrollments. Officials are also still working on a system that makes payments to insurers that attract high-risk patients. These systems must be in place by January, officials have said.

“This is a complex project with a short timeline,” Health and Human Services spokeswoman Joanne Peters said in a statement. “As such, issues were prioritized to meet the October 1 launch date.”

Chao said the work should not directly affect the ability to use HealthCare.gov, the federal Web site for people in 36 states to compare plans and prices and apply for government subsidies to pay their premiums. Officials have said the Web site should be working smoothly for 80 percent of users by the end of the month.

The remarks came during a hearing that was supposed to center on the security of people’s private information entered into the site. But much of it focused on a document prepared by an independent firm that last spring had warned high-level White House and Health and Human Services officials of many of the problems that have arisen since the Web site’s troubled Oct. 1 rollout.

News of the McKinsey and Co. briefings was first reported Monday by The Washington Post, which obtained the presentation from the Commerce Committee. Chao told the panel he had not seen the document.

In his prepared testimony, Chao said the federal marketplace had met all security standards, and that there were measures in place to continually root out any threats. CMS and contractors on the project were “hard at work to design, build, and test secure systems that ensure Americans are able to enroll in affordable health care coverage,” he said in his prepared testimony.

Health Care

You Can Keep Your Doctor': Obamacare's Next Broken Promise?

By Alex Altman@aaltman82 Nov. 19,



Nov. 14, 2013 U.S. President Barack Obama speaks during an appearance at ArcelorMittal in Cleveland on Nov. 14, 2013.

David Maxwell / EPA

U.S. President Barack Obama speaks during an appearance at ArcelorMittal in Cleveland on Nov. 14, 2013.

Barack Obama's broken promise that all Americans would be able to keep their health care plans after the implementation of the Affordable Care Act has infuriated people who took the President at his word and rattled even his staunchest supporters.

But for the President, the real political pain may only be starting. Come 2014, the rest of the country may learn that another high-profile pledge was untrue. "No matter how we reform health care," Obama said in 2009, "we will keep this promise: if you like your doctor, you will be able to keep your doctor. Period."

It's not that simple. In order to participate in health-insurance exchanges, insurers needed to find a way to tamp down the high costs of premiums. As a result, many will narrow their networks, shrinking the range of doctors that are available to patients under their plan, experts say.

(MORE:The Bright Side of Obamacare's Broken Promise)

"Many people are going to find out that the second part of the promise — that if you like your doctor, you can keep your doctor — just wasn't true," says Gail Wilensky, who directed the federal Medicare and Medicaid programs under President George H.W. Bush. Factcheck.org labeled the promise "misleading," noting that while the law doesn't contain provisions designed to force people to pick new doctors, a switch may be inevitable for some. "The President simply can't make this promise to anyone," the site wrote.

The White House did not respond to a request for comment.

It's unclear why the President made the promise about keeping your doctor, which he trumpeted as he traveled the country pitching health care reform, and then repeated after the law was enacted. Wilensky says Obama's health care advisers, who unlike the President are experts in the field, must have known that some people would need to change doctors. "This is not magic stuff," she says. The Administration stopped advertising the doctor pledge shortly after the law slipped through Congress by a hairbreadth, though the claim remains on the White House website.

"People better understand that there's a second shoe to drop," says Wilensky. Obama is "going to have to deal with that," she says, "because he has more bad stuff ahead of him."

15 Worst Snacks for Weight Loss

By The Editors of Prevention | Healthy Living

- Snacking can be a total diet bomb--if you let it. Here's how to do it right. *By*



Jessica Girdwain, Prevention

Attacking the snacks

From the Cheerio-toting toddler to the vending machine-loving employee, we're a nation obsessed with snacks. How obsessed? Most of us eat nearly 600 calories a day--that's roughly a third of our food--in snacks rather than meals, according to a 2010 study from the University of North Carolina.

That's a lot of snacking, something that can make or break your weight loss efforts. "There is a right way and a wrong way to snack," says Katie Ferraro, MPH, a San Diego-based registered dietitian at Ingrain Health. Done right, snacking can keep your appetite in check, fuel your workout, and give you valuable nutrients. Done wrong, and you're downing gut-busting snacks loaded with sugar and fat, says Ferraro.

And here's where it gets tricky--it's all too easy to be fooled into thinking seemingly healthy snacks are good for your waistline. Here are 15 weight loss-sabotaging snacks to avoid, and the tasty swaps to make instead.

Instead of: Strawberry yogurt

Reach for: Plain Greek yogurt with fresh strawberry slices

Some fruit-on-the-bottom varieties of yogurt contain 26 grams of sugar in a six-ounce container (that's the equivalent of three Oreo cookies). And while 12 grams of that comes from the milk itself, the rest is from the sugar-packed fruit flavoring. A recent study review published in the *BMJ* found that cutting back on sugar is associated with about a two-pound weight loss, while eating more results in a similar amount of weight gain. Stick to plain Greek yogurt for less sugar and a healthy dose of protein (**just beware of these 6 gross Greek yogurt myths**).

Instead of: ½ cup of trail mix with chocolate pieces

Reach for: A fruit-and-nut bar

The standard serving size of trail mix is a quarter cup, a measly amount that most of never come close to sticking to--especially when eating straight out of the bag (just two handfuls put you at 350 calories!). A fruit-and-nut bar, like KIND Dark Chocolate Nuts & Sea Salt or a LaraBar is great way to meet your craving for something nutty and slightly sweet, but in a single-serve package that you can't overdo.

Instead of: An ounce of pretzels

Reach for: An ounce of salted, shelled pistachios

Pretzels pack 450 mg of sodium--that's nearly 20% of what you need in an entire day. Salted nuts, on the other hand, contain just a quarter the sodium. And if you're worried about the fat in the nuts, don't be: While the pistachios do have 50 more calories per serving than the pretzels, they also contain twice the protein and three times the fiber to keep you fuller longer. Plus, people who added nuts to their diet lost more weight compared to those who snacked on pretzels, according to a recent UCLA study.

Instead of: ¼ cup of soy nuts

Reach for: ½ cup shelled, steamed edamame

While a quarter-cup of soy nuts is 130 calories, a single-serve packet of edamame (which can be steamed in the microwave and is available in the freezer section of your grocery store) is only 90 calories. Translation? You get twice the food for fewer calories.

Instead of: A can of diet soda

Reach for: 12 oz of unsweetened sparkling water with fruit slices

Many people drink zero calorie sodas when trying to stave off hunger between meals. However, the artificial sweetener you're knocking back along with the bubbles has been linked to an increased risk of weight gain--the sweeteners may negatively impact your metabolism, as well as throw off your brain's ability to regulate your appetite, finds a 2013 study in *Trends in Endocrinology and Metabolism*. If you're really just thirsty instead of hungry, opting for sparkling H₂O provides that filling carbonation, while adding fruit (orange, lemon, strawberries) adds a hint of sweetness with a boost of nutrition. Still not convinced you need to give up your diet soda habit? You will be when you **read the 7 Scary Side Effects of Diet Soda**.

Instead of: Two rice cakes

Reach for: One cup of air-popped popcorn

Rice cakes have long been labeled a diet food because they're low in calories and fat free. But they're also sky high on the glycemic index, scoring 82 (pure sugar is 100). The glycemic index is a measure of how a food raises your blood sugar and insulin (the higher the score, the greater the increase). And according to Australian research, people who ate a diet lower on the glycemic index lost twice as much fat compared to those on higher glycemic diets.

One cup of air-popped popcorn is only 31 calories, has a lower glycemic index (55), and also counts as a serving of whole grains. Plus, you can jazz up plain popcorn with zero-calorie spices--like cinnamon, cumin, chili powder--to make it tastier. (Just be sure to avoid microwave popcorn, **one of these 7 Foods You Should Never, Ever Eat**.)

Instead of: A 16-ounce bottled smoothie

Reach for: A homemade smoothie

At first glance, the bottled smoothie might look like a good pick at only 150 calories. But look closer and you'll see that that one bottle contains two servings (or 300 total calories), and, let's be real, most of us aren't just going to drink half the bottle. A better bet? Make your own and control the calories yourself. **These 25 delectable detox smoothies are a good place to start!**

Instead of: One ounce of banana chips

Reach for: A banana

Banana chips appear to be a sound choice because they're made from bananas--how bad could they be, right? Bad. They're usually fried, meaning they contain eight grams of saturated fat (40% of your daily value) and 145 calories. A diet high in saturated fat has been found to disrupt the production of key hormones that regulate your appetite, which could make you feel hungry when you're not, finds a study in the *British Journal of Nutrition*. Opt for a large banana, which offers only 121 calories and zero grams of saturated fat.

Instead of: A grande 2% pumpkin spice latte**Reach for: A grande non-fat latte**

While a pumpkin latte feels like the perfect fall snack, it's not exactly bursting with pumpkin. Rather, it's bursting with sugar, clocking in at 47 grams of sugar and 310 calories--and that's without the whipped cream. To put that in perspective, an unsweetened latte contains 18 grams of sugar (from the milk). That means, the pumpkin drink packs 29 added grams of sugar, or more than seven teaspoons of sugar. Women are only advised to get six added teaspoons of the sweet stuff a day to prevent weight gain, according to the American Heart Association. Go for a skim latte instead, which contains no added sugar and only 130 calories.

Instead of: A chocolate pudding cup**Reach for: One ounce of dark chocolate**

When you're craving something chocolate-y a pudding cup gets a good rep as a diet-friendly treat. But you'll satisfy your craving more if you go for the real deal, an ounce of 70% (or higher) dark chocolate. It contains 168 calories (just a few more calories than the average pudding cup, which ranges from 120 to 150 calories), plus less sugar and carbs, and more satiating fiber. The chocolate also has antioxidant-packed cocoa, which, per a study in the *Archives of Internal Medicine*, may be the reason people who eat it a few times a week are thinner than those who don't. If portioning is an issue for you, Endangered Species Organic Dark Chocolate Chimp Mints (\$50, pack of 64; amazon.com) come in .35 oz each (so you can have 3!), or try 1-oz Scharffen Berger 70% Cacao Bittersweet Chocolate bars (\$4; amazon.com).

Instead of: A handful of baby carrots**Reach for: A handful of baby carrots dipped in 2 Tbsp hummus**

Sure, your mouth will be busy chewing like a rabbit, but once you stop munching, you're still going to be hungry. Carrots alone likely don't have enough calories to keep you full for very long--so as good as your intentions are, your hunger may drive you to dip into the office candy stash soon after. Instead, pair them with a protein source like hummus, which will help slow digestion and keep afternoon cravings at bay.

Instead of: ½ cup of canned pears**Reach for: 4 dried plums**

Even though it's fruit, the canned pears are swimming in sweetened syrup, and they're also low in fiber, with only one gram per serving. Eating four dried plums--aka prunes--provides a few less calories (91 in the dried plums versus 100 in canned pears) and ups your intake of fiber to three grams. Women should aim to get 25 grams of fiber per day--but most only eat half that--and increasing your intake by 10 grams a day is associated with a smaller waist circumference and weight, according to a study in the *American Journal of Clinical Nutrition*.

Instead of: One serving of cheese crackers (27 crackers)**Reach for: A half of a turkey sandwich on whole wheat with a slice of avocado**

Twenty-seven cheese crackers in a serving sounds like a sweet deal, but like all bargains, if it sounds too good to be true...well, you know how it goes. The crackers are high in simple carbohydrates like enriched flours, which spike blood sugar and create cravings (for more crackers). You can decrease that response and slow digestion with 100% whole grain bread, a source of protein, and healthy fats. Upping the intake of whole grains helped female dieters lose nearly two pounds more and decrease their body fat by one additional percentage point than a group that ate refined grains, according to a study in the *Journal of Nutrition*.

More from Prevention: 20 Perfect Workout Snacks

Instead of: ½ cup granola with one-cup skim milk

Reach for: One packet of instant oats

If you get hungry before lunch, you might want a second breakfast--and that's okay! But granola is little more than sugar and fat, which is why this healthy-sounding snack can run upward of 360 calories. And people tend to eat bigger portions when the food is labeled healthy (like granola), according to a recent French study. The instant oats, on the other hand, contain about 150 calories and can be easily whipped up in a cup with hot water. Oats also offer a surprisingly good amount of protein, plus slow-digesting fiber from whole grains.

Instead of: 100-calorie pack of cookies

Reach for: One-third cup of roasted pumpkin seeds

Smaller packages actually backfire, according to a study from Arizona State University, which found that people tend to eat more 100-calorie packs because they appear to be diet food. Besides, cookies--even diet versions--are almost always devoid of nutrients. Pumpkin seeds contain good fats and protein and can be pre-portioned out into individual bags to take to work. A one-third cup serving of roasted seeds is just 94 calories.

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