

1 Annual Reporting Calendar Released

Each year one of the largest and most prestigious consulting houses releases a reporting calendar for retirement and welfare benefit plans. Here is the link to this year's edition.

<http://bit.ly/1b40jvc>

This is a great resource and I suggest everyone print a copy and at least put it in your desk, if not on the wall.

2 Rules on OOP Limits

Health care reform limits the amount of out-of-pocket (OOP) limits on all non-grandfathered health plans. All non-grandfathered health plans must be based on the high deductible health plan (HDHP) platform. The government just released rules on how the limits will be applied.

<http://bit.ly/1f825kM>

The guidance also addresses some other key areas like essential health benefits and fixed indemnity plans that provide fixed amounts (e.g. \$100 per day during in-hospital stays) regardless of the illness.

3 Dental & Vision Dodge ACA Bullet

Excepted benefits are, for the most part, exempt from health care reform. However, to be considered an excepted benefit, the plan has to jump through certain hoops. Fully insured dental and vision plans basically got a free pass while self-funded dental and vision plans often fell short. The government has leveled the playing field and now self-funded dental and vision plans will be treated the same as their fully insured counterparts.

<http://bit.ly/1f93zcU>

<http://bit.ly/1cpWdn9>

If the employees have the right to opt out of the dental and/or vision plan, then that dental or vision plan will be considered an excepted benefit and will, as a result, be exempt from health care reform for the most part.

4 Potty Time = FMLA Time

This article talks about the FMLA implication for someone who uses the restroom excessively. As the article starts off, this could be a serious issue.

<http://bit.ly/1d64sjS>

In this particular case the Court allowed the lawsuit to move forward and also included an ADA potential claim.

5 Small Businesses – If You Like Your Plan You Can Keep It

The President took a lot of heat by telling the American people that if they liked their current health plan they could keep it. After millions of people received noticed they were losing their coverage, the President postponed several provisions of health care reform. This article says the same thing is going to happen to small businesses later this year.

<http://wapo.st/1ndqIRn>

One the reasons is the administrative burdens for the carriers to maintain a number of “frozen” plans when all the new plans will have to comply with health care reform.

6 Wellness Programs & HSAs

The ultimate goal of all wellness programs is to improve the people’s health which, in turn, should reduce health care costs. However, oftentimes it is challenging to get the people to participate in the wellness program. This article discusses how increased participation can be linked to HSA contributions.

<http://bit.ly/1ftvnZT>

Under this approach, the employer makes HSA contributions for everyone in the first year but future contributions can be linked to the wellness program.

7 Government Continues to Spit Out Guidance on a Number of Topics

The government continues to provide guidance in the form of frequently asked questions and answers. The FAQs offer additional guidance related to several topics, including coverage of preventive services; limitations on cost sharing; expatriate health plans; wellness programs; and fixed indemnity insurance. One of the topics is the Mental Health Parity Act. Health care reform considers mental and substance abuse coverage as essential benefits so, as a practical matter, the importance of the Mental Health Parity Act has diminished.

<http://bit.ly/1iH66kb>

<http://bit.ly/1b114dv>

One thing to consider: This form of guidance really short-circuits the system. That is, the regulatory process does not apply to FAQs. As a result, the government has more leeway when it comes to releasing information in this format.

8 Is Binding Arbitration Enforceable Under ERISA?

Oftentimes a contract will require binding arbitration as a means to resolve disputes. These clauses preclude one party from filing a lawsuit. In other words, if the contract requires binding arbitration, the parties cannot file a lawsuit and must resolve the matter through binding arbitration.

<http://bit.ly/1f942vE>

These types of binding arbitration clauses are enforceable under ERISA. Although they are enforceable, in certain cases binding arbitration can be more expensive than actual litigation.

9 MLR – Catch 22

Here is an interesting Catch 22 scenario. The Medical Loss Ratio (MLR) rule limits the amount the carriers can spend on administrative expenses. Stated another way, the carriers must spend a certain percentage of each premium dollar on medical claims and quality improvement. However, the botched rollout of the health care exchanges required many carriers to spend more money on administrative items.

<http://bit.ly/1b4PjQ9>

As a result, it is conceivable that some carriers are not going to hit the percentages because they ended up spending more money than anticipated because of the health care exchange rollouts.

10 CEOs Think Health Care Reform Will Survive

There has been a lot of ink about the demise of health care reform. However, a majority of health insurers believe everything will be worked out.

<http://wapo.st/1i7HluB>

Most of the major carriers knew there were going to be bumps in the road with the statute's implementation so the troubled rollout was not a surprise to them. In the end, they think the statute will be fine.

11 Health Care Subsidies Available in Every State

One of the centerpieces of the new law is the government subsidies that help lower-income individuals get health coverage. The statute provides for health care exchanges or marketplaces where individuals can go to get coverage. The states were supposed to set up the exchange but if the state did not, the federal government would step in and run the exchange for that state. There are two forms of subsidies under the exchanges. Some people argued that the subsidies were not available if the Federal government (as opposed to the state) ran the exchange.

<http://bit.ly/LkkHDV>

A Court recently ruled that the subsidies are available regardless of who is running the exchange. As a result, the subsidies will be available to all individuals, even in those states where the Federal government is running the exchange.

12 Self-Funding Comes Under Attack

More employers are looking at self-funding as way to reduce the negative impact health care reform may have on their health plans. As a result some states are starting to regulate stop loss policies.

<http://bit.ly/1jEAqvU>

ERISA preempts state law when it comes to self-funded health plans. However, the states can regulate insurance carriers. So some states are starting to dictate terms to the insurance companies that issue stop loss policies.

13 New Tobacco Surcharge Guidance

Health care reform increased the smoker surcharge or penalty to up to 50% of the premiums, and more employers are adopting this approach to encourage people to stop using tobacco. The government recently issued additional rules on how these programs can operate.

<http://bit.ly/1mS7H3Y>

The surcharge can be assessed under a valid wellness program that complies with the new rules.

14 Skinny Plans Live On

Beginning next year, health care reform requires large employers to offer full time employees quality/affordable health coverage or pay a penalty. Some employers plan to offer employee options that may not be considered quality and affordable coverage.

<http://bit.ly/1cpXydw>

Under this approach, the employer can avoid the penalty because it is, in fact, offering quality/affordable coverage but, at the same time, employees can elect to participate in the “skinny” plan, which is cheaper. As a result, the employee will receive some coverage but not as much as required by the statute.

15 Co-ops – Reasonable Alternative

The Obama administration wanted a government run option in the health care exchanges to keep the carriers “honest” when it comes to setting the premiums. The President was not able to get a government option in the exchanges but he was able to get a non-profit option called co-ops. The co-ops compete with the carriers under the health care exchanges or marketplaces.

<http://bit.ly/1ftw6dL>

So far the co-ops’ rates seem competitive but the question remains whether the co-ops will be self-sustaining over the long haul.

16 Wellness Program Chart

I know there are a ton of chart lovers out there so I am including diagrams on how wellness programs are set up.

<http://bit.ly/Lkldlc>

I always am concerned with charts because they oversimplify things. A chart may be a good road map but it should not be your only resource.