



### **New COBRA Forms!**

The government continues to keep us hopping with new rules and forms. Clearly the focus has been on health care reform. However, the government just released updated COBRA forms. Here are links to the announcement and the actual updated forms.

<http://bit.ly/1muS97b>  
<http://1.usa.gov/1muZKHb>

The forms have been modified to incorporate references to the new health care exchanges or marketplaces. It is anticipated that fewer people will elect COBRA now that they can go to an exchange to get coverage. However, there is no talk about eliminating COBRA.

### **ACA & Part-Time Employees**

By now everyone knows that large employers have to offer quality/affordable coverage to full-time employees (i.e. employees working at least 30 hours per week) or pay a penalty. There has been a lot of press about companies hiring part-time employee. However, as we have said in the past, ERISA precludes employers from interfering with the attainment of any right to which a participant may become entitled under a plan. In this case a part-time employee applied for a full-time position. The employer refused to increase the employee's hours so the employee filed suit saying the employer violated ERISA.

<http://bit.ly/1ojn7Av>

The Court did not rule on the merits of the case yet. However, the Court did not dismiss it, either. That is, the employer asked the Court to simply dismiss the lawsuit without actually hearing the case but the Court denied the employer's request.

### **Employer Gets Stuck with Paying for Retiree Health Coverage**

An employer entered into a union agreement under which the employer agreed to provide retirees with the health benefits they had at the time they retired. That company got sold and after a couple of years the new company set up a health reimbursement account or HRA. The new company deposited money into the HRA for each retiree, but the retirees filed suit saying the new company had to honor the old company's commitment.

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

The Court agreed with the retirees. Note that this case was decided in the Sixth Circuit and Ohio is included in this circuit.

### **ACA Employer Reporting**

We have included articles in the past about the new reporting requirements under health care reform. Here is another one.

<http://bit.ly/1fJK7sD>

There are two sets of reporting requirements but they will be on one form – Form 1095-C (yet to be released). All employers, regardless of size, sponsoring self-funded health plan will have to complete one portion. The other portion will apply to only employers with 50 or more employees. So, if a large employer (i.e. one with 50 or more employees) is sponsoring a self-funded health plan, that employer will have to complete both parts of the form. If the large employer sponsors a fully insured health plan, the employer will only have to complete one part of the form. Finally, a small employer (i.e. one with less than 50 employees) sponsoring a fully insured health plan will not have to complete the form. The reporting rules begin next year and are due in early 2016.

### **SHOP Guidance Issued**

Health care reform required the states to establish and run the health care exchanges or marketplaces where individuals can go to get health coverage. If the state did not establish the marketplace, the Federal government stepped in and set up the marketplace for the state. There has been a lot of attention on the marketplaces with respect to individuals. However, the exchanges are also open to small employers. This article talks about the opportunity small employers (i.e. those 50 or fewer employees) have to offer their employees' health coverage through the marketplace.

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

The government envisioned the SHOP being very automated and allowing employees to pick and choose among different carriers. However, that has not yet happened. Currently SHOPS are only accepting paper applications and employees can only pick plans offered by one carrier that is selected by the employer.

### **Group Benefits and Defined Contribution**

There has been a lot of attention recently about employers adopting a defined contribution strategy for group benefits in conjunction with a private exchange. Although there are some private exchanges out there, they seem to be limited to only the largest employers. This article talks about the concept and the trend toward offering more voluntary benefits.

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

Although defined contribution sounds good, in reality it is, in most cases, another way to shift the cost to the employees. That is, the employer caps the amount it spends on benefits. Therefore, the increases will get passed on to the employees.

<http://bit.ly/1kCs0kx>

Additionally, there are tax and ERISA considerations associated with private exchanges. The above article talks about those issues.

### **Prescription Drugs**

More Americans are taking prescription drugs than ever before. So prescription drugs are a large part of the total cost of health care. This article talks ensuring your prescription drug claims are being adjudicated properly.

<http://bit.ly/1mv0bBj>

It simply makes sense to go where the money is. Stated another way, since so much is being spent on drugs it makes sense to ensure those claims are being processed correctly.