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It's All in One Place Now

Few, if anyone, will say that health care reform is not complicated. The government continues to issue various guidance in a variety of formats. The IRS has just released a webpage that tries to put all the resources in one place.

<http://1.usa.gov/1Lct008>

I am not saying this webpage makes it any easier to comply but it is a good starting place for applicable large employers to begin their compliance efforts.

The Numbers Have Fallen

The Centers for Medicare and Medicaid Services (CMS) has just reported the number of individuals enrolled in health coverage through the health care exchanges or marketplaces has dipped below 10 million. CMS is reporting that there are now 9.9 million people getting coverage through the exchanges or marketplaces.

<http://bit.ly/1K6hgu1>

The Obama administration had claimed this spring 11.7 million people were covered and it is anticipated that the 9.9 million number will drop when the new premiums are released later this year.

Get Those Social Security Numbers!!!

By now you are aware of the new ACA reporting requirements – IRS Forms 1094 & 1095. Employers of all sizes sponsoring self-funded health plans have to prepare the forms. In the context of a self-funded health plan the employer must report the Social Security numbers of everyone covered under the self-funded health plan. This means getting the spouses' and s Social Security number. The rules say the employer must make a "good faith" attempt to get

those numbers and this means the employer has to try at least three times to get the numbers.

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

The Internal Revenue Code provides that there could be a \$50 penalty if the person fails to supply his or her Social Security number. Prudent employers should list this potential penalty when requesting the Social Security numbers. This article does a really nice job of outlining these rules.

Trend Has Never Been the Employer's Friend

They say the only things that are certain are death and taxes. However, if trends in health care costs did not make the list it is a close third.

<http://bit.ly/1gmax4o>

This is a survey of projected trend increases for next year prepared by a major consulting company.

Carriers Get Extension for Posting SBCs

One of the requirements under health care reform is that carriers prepare a 4-page summary of benefits and coverage or SBC. The SBC highlights the main points of the health plan and is supposed to make it easier for individuals to compare plans.

<http://bit.ly/1QcE0tU>

The SBC has to have a link where people can go and see the actual certificate of coverage. The deadline for posting that link has been changed from September 1, 2015, to November 1, 2015. Note that the timelines for distributing the SBCs has not changed.

Offer of Health Coverage by Another

As I mentioned in a previous article in this newsletter, everyone is familiar with the new ACA reporting requirements – IRS Forms 1094 and 1095. In most cases the employer sponsors the health plan and completes the forms. However, there are a couple of situations where the offer of health coverage is from a third party. For example, the employer may offer coverage to their collectively bargained employees under a multiemployer, or the employer may participate in a MEWA or utilize individuals through a staffing agency.

<http://bit.ly/1Katj9J>

This article talks about the unique reporting rules applicable under these types of arrangements. So if you offer health coverage under one of these arrangements it is imperative that you understand the rules.

Bigger Bang for the Buck

Most people agree consumer-driven health plans help contain costs. Most consumer-driven health plans have HSAs or HRAs. This article talks about ways to maximize the benefits of consumer-driven health plans.

<http://bit.ly/1F9ufw0>

One thing to keep in mind is the Cadillac tax looming just around the corner starting January 1, 2018.

When is an Individual an Employee?

This is an age-old question. However, the stakes have gotten higher and the government's interest has increased recently. In the past employers have simply labelled individuals as independent contractors and not offered them benefits or withheld payroll taxes. The potential penalties under health care reform have increased the stakes for misclassifying individuals.

<http://bit.ly/1UQVXQ9>

Again, the government continues to scrutinize arrangements where individuals provide services and yet the employer labels those individuals as something other than employees.

Who is a Small Employer?

One of the more controversial provisions of health care reform is the community rating rules. Those rules limit the factors carriers can use to set premiums for small employers. Most people believe the community rating rules will result in increased premiums for small employers. Beginning January 1, 2016, a small employer is defined as an employer with fewer than 100 employees. Prior to January 1, 2016, the states have the ability to define small employer as an employer with fewer than 50 employees. The Obama administration released a rule that allows employers to avoid community rating until later in 2017 but after that extension the community rating rules will kick in.

<http://1.usa.gov/1VXDNYG>

The House introduced legislation that would permanently limit the community rating rules to employers with fewer than 50 employees. In other words, the proposed legislation would permanently exempt groups with 50 or more employees from the community rating rules. Again, this is only proposed legislation and it is doubtful the current president would sign the bill.

Missing the Point

Some people say the way to reduce premiums is to allow carriers to sell health policies across state lines. They point to the fact that premiums in one state may be lower than premiums in another state. By allowing carriers to sell across state lines these people think premiums will go down.

<http://nyti.ms/1LctfbO>

It is true that states may impose different rules on carriers but one of the driving forces when setting premiums is provider contracts. If the carrier has favorable provider contracts those discounts are reflected in lower premiums. So simply allowing carriers to sell across different states does not mean the carriers will be able to secure favorable provider contracts in the new locations.

Mergers and Acquisitions and ACA

Often times benefit professionals get so wrapped up in the rules, we lose sight of the business goals. Life goes on even after health care reform. Mergers and acquisitions continue to happen for valid business reasons and health care reform should not get in the way of sound business decisions.

<http://bit.ly/1MmD34I>

This article talks about how the reporting requirements under health care reform are impacted when there is a merger or acquisition.

Can You Recover Overpayments?

Mistakes happen and, in the context of health plans, the mistakes can be costly. That is, health plans are complicated and medical procedures are expensive. So a mistake can involve a lot of money.

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

This article talks about pension plans trying to recoup overpayments but the same rules would apply to a health plan trying to recover an overpayment.

We Are On Our Own

Obamacare has survived several court challenges and it is doubtful there will be any major legislative changes to the law due to the climate in Washington. Therefore, it is up to employers to decide how best they can comply with the law of the land.

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

This article talks about a couple of topics employers may want to at least consider rather than waiting for a change in the law.

Stop Loss Policy Survey

Large employers have looked to self-funding for years but health care reform is making that more attractive to small employers. This is an interesting survey on stop loss policies.

<http://bit.ly/1UQW8Lo>

Carriers are coming out with new products that make self-funding a viable option for small employers and we anticipate this trend will continue as the effective date of the community rating rules get closer.

Five ACA Reporting Mistakes

I am betting there will tons of mistakes when it comes to completing IRS Forms 1094 and 1095. However, this article lists five common misconceptions regarding the filing requirements.

<http://bit.ly/1J7Aago>

The one that caught my eye is the IRS' position that employers that make a good faith compliance effort will not be penalized. This is true but only if the employer submits the forms. In other words, not filing anything is not considered a good faith compliance effort and so the employer would be penalized.