

**COMPLIANCE UPDATE**  
**AUGUST 2018**

**UPDATED MARKETPLACE NOTICES**

One of the most important parts of the Affordable Care Act is the marketplace, or health care exchange. Although the Trump administration continues to attack the statute, it still is the law of the land. One of the requirements is that employers notify new employees at the time of hire about the marketplaces or health care exchanges.

[Update to the Marketplace Notice](#)

The government provides a model notice employers can use to comply with this requirement and the notice has just been updated. So you should ensure you are using the most current version of the notice.

**ASSOCIATION HEALTH PLANS**

There has been a lot of ink devoted to association health plans as a way for small employers to reduce their health plan premiums. Here is another article on the final rules that were issued last month.

[Final Association Health Plan Rules](#)

I am not sure association health plans will be that popular with the carriers. Surprisingly the latest funding for the Department of Labor has no money to promote association health plans.

[No Funding for DOL to expand AHP access](#)

Just because the Trump administration is encouraging the formation of these programs does not mean, at the end of the day, there will be that many. Obviously there will be some organizations sponsoring association health plans but they may be limited in number and the actual plans may provide limited benefits. Time will tell.

**LEVEL FUNDING – VIABLE ALTERNATIVE?**

Many of the carriers are getting creative when it comes to offering nontraditional health plans as a way to reduce premiums. One of those options is a level funding product under which the employer benefits if the claims experience is favorable.

### [Pros and Cons of Level Funding](#)

When it comes to health care, “no one size fits all” but a level funded product may be a good fit for some employers. This article talks about the pros and cons of level funding.

## **SHORT-TERM HEALTH COVERAGE**

The Trump administration continues to chip away at Obamacare. President Trump and Congress failed to pass legislation repealing the Affordable Care Act (aka Obamacare) so the administration continues to finalize rules designed to weaken the statute. The latest effort involves short-term health coverage.

### [Short-term Health Plans Final Rules](#)

Short-term coverage policies do not have to comply with the Affordable Care Act. This means the policies can exclude benefits for preexisting conditions and impose annual and lifetime limits on benefits. Prior to the final rules a short-term policy could not exceed three months. The final rules say short-term policies can last up to 12 months and can be renewed up to 36 months.

## **ENROLLMENT CHECKLIST**

Most employers are starting to think about the upcoming enrollment season. Even though this is only August it is not too early to start thinking about the upcoming enrollment season if you maintain calendar year plans.

### [Checklist for Enrollment Communications](#)

This is a nice checklist of the various notices you should be providing at open enrollment time plus a summary of the objectives you should keep in mind when providing those notices.

## **HSA ELIGIBILITY AND MEDICARE**

Health Savings Accounts (“HSAs”) and High Deductible Health Plans (“HDHPs”) have become pretty popular. However, an employee has to be HSA-eligible before that employee can make and receive HSA contributions.

### [HSA Fundamentals: Medicare and Eligibility](#)

If the employee is enrolled in Medicare, that employee is no longer HSA eligible. The rules can be somewhat confusing and this article explains the interplay between Medicare and HSAs.

### **NUMBERS DON'T MATCH**

The Federal government is increasing its efforts to update its data and ensure it has accurate information.

#### [SSN Employer Correction Request Notices](#)

Starting this month, the government is beginning to mail informational notifications to businesses and third parties that submitted wage and tax statements (Form W-2) that contain name and Social Security number (SSN) combinations that do not match Social Security Administration records. So be on the lookout for the notices.

### **DRAFT IRS FORM 1094 AND IRS FORM 1095**

The Trump administration continues to chip away at the Affordable Care Act. For example, the individual mandate has been repealed effective next year. However, parts of the statute remain.

#### [Little Changes in IRS Draft of Forms 1094 and 1095](#)

Most importantly the employer mandate still is in effect and the reporting requirements are intact. The IRS released the 2018 forms in draft format. So until the employer mandate is repealed, large employers must continue to comply with the rules.

### **CHANGES MAY BE COMING**

The current administration and Congress have failed to pass major legislation when it comes to benefit issues but there is a flurry of changes in the pipeline. This article lists some of the proposed laws.

#### [Health Care Reform Proposals Signal Changes](#)

It is important to note that all of these are **proposed** rules. They mean nothing until and unless they pass Congress and are signed by President Trump!

### **SEVERANCE AGREEMENT TIPS**

Although the following article is more related to labor issues than benefit matters I thought it was interesting so I included it in this newsletter.

#### [Three Things to Consider When Offering Severance](#)

It gives some practical pointers when it comes to drafting severance agreements. It makes sense that if you are going to give money to a former employee, you might as well get a severance agreement in exchange for the money.

### **Health Coverage Options for Early Retirees**

You may want to share this article with employees who are retiring before they are entitled to Medicare.

#### [Early Retirees Have Health Care Options](#)

Some people want to (and are able to) retire at a younger age. An important consideration for those individuals is what to do when it comes to health insurance if they are not yet old enough to get Medicare. This article talks about a couple of options.

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