



JUNE 2019 COMPLIANCE UPDATE

PCORI FEE COMING DUE

If you sponsor a self funded health plan (including just an HRA) you have to remit the PCORI Fee to the IRS by July 31, 2019.

[PCORI FEE DUE JULY 31](#)

[PCORI FILING DUE TO IRS BY JULY 31](#)

The fee is reported on IRS Form 720 and is paid with IRS Form 720V. If you are sponsoring a fully insured health plan, the carrier is responsible for reporting and paying the fee.

NO MORE SURPRISES

Everybody likes a nice surprise every now and then but not when it is in the form of an unexpected bill from a medical provider.

[NO SURPRISE, CONGRESS FOCUSES ON SURPRISE BILLING](#)

What typically happens is someone goes to the hospital for an emergency and one of the providers is out of network. Three months later the patient gets a huge bill from that provider. Although Congress is pretty much deadlock, there does appear to be bipartisan support for legislation to reduce these types of surprise bills.

DOL UPDATES SARS

Is that enough initials for you? The Department of Labor (“DOL”) has updated the template for the summary annual report (“SAR”).

[REVISED SAR FOR WELFARE AND PENSION PLANS](#)

If you file a Form 5500 or Form 5500SF you should prepare and distribute a summary annual report or SAR. The Form 5500 and Form 5500SF is due seven month after the close of the plan year and the SAR should be distributed nine months after the close of the plan year.

TPAs AND GUARANTEES

TPAs are like any other vendor. They are getting paid to provide a service and it may make sense to include performance guarantees in their contracts.

[CONSIDERING TREND GUARANTEES IN YOUR NEXT TPA ANALYSIS](#)

Obviously, such guarantees are part of the overall negotiating process. Depending on the employer's size will dictate each party's bargaining position. The larger the employer the more likely the TPA is willing to change terms of its standard agreement.

COST SAVINGS OPTIONS

If you are large enough to be self funded, you know the "buck stops with you" when it comes to controlling health care costs.

[COST- MITIGATION OPTIONS FOR LARGE EMPLOYERS](#)

This article lists six strategies you may want to consider when reviewing your self funded health plan.

SUMMER INTERNS AND HEALTH CARE REFORM

It is that time of the year when employers are hiring interns for the summer. However, don't forget how health care reform can impact you.

[WHAT YOU NEED TO KNOW: HIRING INTERNS AND SEASONAL EMPLOYEES](#)

Health care reform has been around for a while, so it is easy to forget about it. However, the employer mandate still is here, and the government is starting to take it seriously. So, if you fail to properly handle the interns it is possible you could fall below that 95% threshold which would result in a major penalty.

STUDENT LOAN PROGRAMS

The outstanding amount of student loans is massive and one of the newest employee benefits is when employers help younger pay off that debt.

[COMPANIES OFFER STUDEN LOAN REPAYMENT TO LURE YOUNG WORKERS](#)

This article talks about this benefit. Unfortunately, currently there are no tax benefits for these types of programs, but they still are becoming more popular.

MERGERS AND ACQUISITIONS

As the economy picks up there are more mergers and acquisitions than ever before. Companies are buying other companies every day.

<https://www.wagnerlawgroup.com/resources/erisa/deal-breaking-ma-issues-related-to-employee-benefit-plans-and-executive-comp>

Since employee benefits are so expensive, they are an important part of the consideration. The buy/sell agreement will address those issues. It is very important to remember that the attorneys that put together the deal in all likelihood addressed the benefit issues and therefore, that is the place to start. In other words, before making any decisions regarding benefits you should consult with the lawyers.

2020 PLAN LIMITS RELEASED

Health savings accounts or HSAs have become popular and one of the requirements is that the person be covered under a high deductible health plan or HDHP. The Internal Revenue Code sets the parameter for HSAs and HDHPs.

[DEAL-BREAKING M&A ISSUES RELATED TO EMPLOYEE BENEFITS AND EMPLOYER COMPENSATION](#)

Those limits are adjusted each year for inflation and the government just released the new numbers for next year.

WELLNESS PROGRAM CONFUSION MAY END SOON

The wellness plan rules are complex and confusion. Several agencies have issued rules and, to add to the confusion, a Federal court invalidated the regulations issued by the Equal Employment Opportunity Commission or EEOC,

[LIMBO NO MORE? EEOC MAY SOON PUBLISH NEW WELLNESS PROGRAM RULES](#)

The EEOC recently announced it was going back to the drawing board and will issue new EEOC rules over turning wellness program. However, until the new rules are released the status of wellness programs remain up in the air.

SEVERANCE PAY

Why not get something for something. It is pretty common practice to have employees sign a severance agreement when leaving.

[GETTING THE MOST BANG FOR YOUR BUCK OUT OF A SEVERANCE RELEASE](#)

If the employer is going to pay severance, then the employer ought to get something in return. That has to be spelled out in the severance. So employers should pay attention when it comes to drafting severance agreements.

EMPLOYER MANDATE PENALTY SCHEDULED TO INCREASE NEXT YEAR

The Affordable Care Act imposes penalties on large employers that fail to offer full time employees quality/affordable health care.

[SECTION 4980H: PENALTIES CONTINUE TO GROW IN 2020](#)

The statute allows the penalties to increase each year for inflation. The amounts are schedule to increase next year and this article lists the projected numbers for 2020.

IRS FORM 1094 & IRS FORM 1095 FIXING REPORTING ERRORS

The Affordable Care Act imposes penalties on large employers that fail to offer full time employees quality/affordable health coverage. Those penalties are triggered once the government receives IRS Form 1094 and IRS Form 1095.

[CORRECTING ACA REPORTING ERRORS](#)

The forms are really complex, and it is easy to make mistakes. This article talks about how to correct reporting errors.

CLAIM ADVOCATES COMING INTO VOGUE

As medical procedures become more complex and expensive it is not surprising to see a new cottage industry springing up.

[EMPLOYMENT LAW: FILING ERISA PLAN CLAIMS](#)

Participants are starting to use third parties to file claims and push appeals. It is important to note that the ERISA claims procedures allow for authorized representatives. So be care when dealing or refusing to deal with authorized representatives.

FREE FITBITS FOR EVERYONE!

Providing free wearable fitness items may be a good way to improve both morale and fitness but be careful.

[FITNESS TRACKERS ARE ALL THE RAGE, BUT ARE YOUR PRIVACY PRACTICES UP TO SNUFF?](#)

There may be important privacy issues to consider. Especially if the employer collects the health data.

PBM CONTRACTING

Prescription drugs are a big spend with any health plan and those sponsoring self funded health plans should pay particular attention to the drug costs. Almost every self funded health plan employs a pharmacy benefit manager or PBM.

[POLICY OPTIONS TO HELP SELF INSURED EMPLOYERS](#)

This article offers some option you should considered when selecting and negotiating with a PBM.

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