



Technology, Teamwork to Shape the Future



Cooperation between administrators, employers, providers and participants has always been important, but the continued implementation of health care reform and an increased focus on cost and quality of care make it a must.

The federal government is promoting accountable care organizations (ACOs) as a way to encourage a shift from volume-based reimbursement to a model based on quality and efficiency. Unlike volume-based reimbursement, which has encouraged the provision of more care, prepayment or

capitation can force providers to focus on the bigger picture of improving health in order to avoid costly future claims and unnecessary care.

The Changing Primary Care Practice

To succeed in this changing environment, many physicians are reengineering their medical practices from traditional "physicians with support staff" to comprehensive "care teams" where medical assistants, nurses and even receptionists take on expanded roles in order to better coordinate

patient care. Group practices that want to join ACOs will need to contribute to overall population health management. Rather than just providing preventive care, they will need to begin proactively reaching out to patients. With access to electronic medical records, they will need to track and monitor the health status of their entire patient population. It will be the only way to become accountable for the quality and cost of care.

Collaborating to Manage Health

When it comes to health management, self-funded employer groups are looking for a partner that can deliver a full spectrum of services, from plan design and claims administration to health care risk management, wellness and reporting. To help client employers adopt and implement successful population health management strategies, we continue to enhance our resources in disease management, wellness and data analytics.

By working together with employers, providers and other strategic partners, we can help assess the health of covered groups and reduce existing health risks. Programs can be implemented to care for those with chronic conditions. And with the right amount of teamwork in place, employees and dependents can begin to accept personal responsibility for the quality of their own health.

As we continue to move closer to full implementation of health care reform in 2014, this might be the time for you to consider adopting a multi-year approach to health management.



Will Coverage Guarantee Access?

Even though the Affordable Care Act will provide access to health coverage for millions of Americans who were previously uninsured, many say there is no guarantee they will actually get to see a health care provider when they want to. Shortages of doctors and nurses already exist and the addition of more covered patients is sure to make the situation even tougher.

If Massachusetts is any indication of what might happen on a national level, longer wait times to see primary care physicians and specialists could be just around the corner in 2014. Equally concerning is the willingness of family physicians and specialists to accept new patients into their practices.

The Affordable Care Act requires all Americans to have health coverage by Jan. 1, 2014, either through their employer or by buying it on their own. Two big concerns are that an increasing number of people, unable to get appointments when needed, may end up in costly emergency rooms and that some who suffer from costly chronic conditions will fail to get the ongoing care they need.

As physician assistants and nurse practitioners continue to take on an expanding role treating patients, the situation will improve. Hopefully, the initial influx of people into the health care system in 2014 will become more manageable so that over time, coverage will also mean access to high quality, cost effective care for those who need it.

Engage More Millennials with Social Media



A hall of famer was famous for saying the way to succeed was to “hit ‘em where they ain’t.” Well it appears that to succeed in getting information on health, wellness or any other meaningful topic to people born between the late ‘70s and 2000, you’d better hit ‘em where they are... which is likely on Facebook, Twitter or looking at their mobile device.

That’s why social media presents so many opportunities for health and wellness. Social media is about sharing and interaction – building blocks for relationships. While there are concerns to address, finding ways for providers and patients to have conversations about health related topics could easily reinforce these relationships.

Think of the opportunities that exist for keeping a patient in touch with a nurse, social worker or health coach. How about using a mobile app or text messaging to check weight or blood pressure or remind an expectant mother of what she might expect in the final trimester of her first pregnancy?

Through support groups and online social sites, patients and providers can communicate, learn about diseases, treatments and side effects and build trust in ways that were never possible before. It really makes perfect sense. As medical discoveries and technology continue to advance, social media and mobile communications offer ways to keep relationships and communication at the heart of our wellbeing.

Trends Latest Happenings in Today’s World

Cost Expected to Rise 7%

According to a new survey by the National Business Group on Health (NBGH), employer-provided health care benefits are expected to rise an additional 7% in 2013. Sixty percent of employers plan to increase the percentage of the premium paid by employees in 2013; however, most indicated it would be by less than 5%.

Employers now consider consumer-directed health plans (CDHPs) and wellness initiatives to be more effective at stemming costs than shifting costs to employees. To help contain costs, more than 70% of employers will offer CDHPs next year.

In their continued efforts to engage employees in healthy behaviors, employers plan to sharply increase



Health Care Reform Update

The latest in health and medical news

Clarifying FSA Changes

The Treasury Department and IRS recently issued Notice 2012-40, limiting health FSA salary reduction contributions to \$2,500 effective January 1, 2013. For plan years beginning after December 31, 2013, the limit will be indexed based on cost-of-living adjustments.

This means that a health FSA plan run on a non-calendar year basis will not be required to comply with the \$2,500 limit until the first plan year beginning on or after January 1, 2013. For FSA plans that provide a grace period of up to 2-1/2 months after the end of the plan year, unused salary reduction contributions attributable to plan years beginning in 2012 will not count against the \$2,500 limit for the 2013 plan year.

It is important to note that the \$2,500 limit applies only to salary reduction contributions under a health FSA and not to employer contributions. The limit does not apply to amounts available for reimbursement



under other types of FSAs, such as dependent care assistance or adoption care assistance plans, health savings accounts or health reimbursement arrangements. While the IRS did request comments on how the Use-It-or-Lose-It rule may be modified to interact with the \$2,500 limit, the rule still requires that unused amounts in health FSAs be forfeited at the end of the plan year.

California Tables Small Group Legislation

The Self Insurance Institute of America reported at the end of August that the California insurance commissioner and key legislators decided to move SB1431 to inactive status and revisit the legislation in 2013. The legislation was intended to impose minimums on reinsurance attachment points, thereby making it impossible for employer groups of 50 or less to partially self-fund.



the incentive amount for maintaining a healthy lifestyle or participating in a wellness program. Among employers that offer incentives, the median amount employees can earn will jump 50% from \$300 this year to \$450 in 2013. The median incentive amount that dependents can earn is expected to increase from \$250 this year to \$375 next year.

Health Savings Accounts Skyrocket

According to the Devenir Midyear 2012 survey and research report, through June 30, HSAs have grown to over \$14.1 billion in assets, representing 7.1 million accounts. This indicates a year over year increase greater than 12% for accounts and an approximate 21% increase in assets from June 2011 to June 2012.

Primary Care from Specialist Doctors

According to a 2011 study, two in five U.S. adults are visiting specialists for their general health care needs. Many individuals believe that specialists are better at treating specific conditions.

Evidence shows that in health care systems based on primary care, patients see better outcomes. A study

HSAs May Be the New 401(k)s



With the ability to roll the balance over from one year to the next, an HSA can be a

great replacement for a 401(k), especially if an employer does not offer a company match. When you consider that a family can contribute up to \$6,250 in 2012 and contributions to health savings accounts go in on a tax-free basis, an HSA has the potential to serve as more than just a great way to pay for medical expenses. Since earnings on these accounts are not taxed and the money that comes out is not taxed, an HSA has the potential to serve as a rainy day fund, if not a retirement nest egg.

Enrollment in high deductible health plans paired with health savings accounts grew from 10 to 11.4 million between 2010 and 2011. According to a recent study by Cigna, financial benefits are only a part of the story. Results also showed that CDHP participants used emergency rooms 13% less than individuals in traditional HMO and PPO plans and were far more inclined to use generic medications, resulting in added savings.

While 401(k) plans will continue to help millions of Americans prepare for retirement, tax advantages and the ability to engage employees and dependents in their health care make health savings accounts a great way to build financial security.

from 2011 found that seniors living in areas with more primary care doctors were less likely to be hospitalized with a preventable disease and had lower death rates.

Many think a shortage of family doctors may be driving people to specialists. Incentives to encourage doctors to specialize in primary care were part of the 2010 Affordable Care Act.

Did You Know? New Ideas for Healthy Consumers

Think Twice Before Questioning Diet Restrictions



First lady Michelle Obama has probably received equal amounts of praise and criticism for requiring more nutritious lunches in our nation's schools. The same is true of New York Mayor Michael Bloomberg, intent on banning the sale of super-sized sodas citywide.

While there are many sides to the issue of government interference in our lives, most would agree that something must be done to address the growing problem of obesity in America, especially among our children. The Centers for Disease Control and Prevention show that today, about a third of American adults and as many as 30% of children and adolescents are obese. Studies show that a child who is obese between the ages of 10 and 13 has an 80% chance of becoming an obese adult.

The causes of obesity are complex, including genetic, biological, behavioral and cultural factors. When one parent is obese, there is a 50% chance that their children will follow. If both parents are obese, the likelihood increases to 80%. And while medical disorders, family history, stress and emotional problems are significant factors, the most common causes continue to be poor eating habits, overeating and a lack of exercise.

In the absence of a physical disorder, the only way to lose weight is to reduce the number of calories being eaten and to increase the level of physical activity. While imposing nutrition and diet restrictions in our schools only addresses a small part of the problem, it should prove to be a big step in the right direction.

Td or Tdap Vaccine – Which Is Best?

Tetanus, diphtheria and pertussis can be very serious diseases. While bacteria cause all, diphtheria and pertussis are spread from person to person. Tetanus enters the body through cuts, scratches or wounds. While children 6 years of age and younger get DTaP vaccine to protect them from these diseases, older children, adolescents and adults need protection too.



For people 7 years of age and older...

- Td vaccine has been used to protect against tetanus and diphtheria for many years
- Tdap, licensed in 2005, protects adolescents and adults against pertussis, as well as tetanus and diphtheria

Those up to age 18...

- A dose of Tdap is recommended at age 11 or 12
- For children who missed one or more childhood doses, Tdap can be given as early as age 7
- Those who didn't get a complete series of Tdap shots by age 7 should receive a combination of Td and Tdap

Age 19 and older...

- Adults should get a booster dose of Td every 10 years
- Those under 65 who have never received Tdap should get a dose as their next booster
- Adults expecting to have close contact with a baby should get a dose of Tdap to help protect the baby from pertussis

To learn more about Td or Tdap vaccinations, contact the Centers for Disease Control and Prevention (CDC) at 1-800-232-4636 or visit www.cdc.gov/vaccines.

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ADMINISTRATORS, INC.

www.maa-tpa.com

[P] 800.825.3540

[F] 405.607.2626