



Are You Ready for 2014?



Focus On:

PPACA

Even though we still hear political rumblings of repeal, the smart money seems to be on finding ways to boost accountability and engagement as full implementation of the law nears. While a strong majority of employers remain committed to maintaining their health benefit programs, there is plenty of concern about all the new regulations coming their way.

Thoughts On Pay or Play – One of the greatest challenges facing “large” employers, defined by PPACA as those with 50 or more employees, is the mandate. Research by Willis indicates that nearly 40% of 1,200 employers surveyed plan to drop grandfathered status in order to modify their plan designs.

For employers contemplating whether they should pay or play, it is important to note that while the cost of penalties might sound minimal compared to the cost of health benefits, the penalties will increase each year. Another consideration is that even though employee health benefit costs are a deductible expense, these penalties are not. Most employers (with 100 employees or less) are not considering the exchanges for existing plan participants at this time, however some are looking at this option for covered retirees.

Upcoming Deadlines – While employers were expected to notify employees about the existence of public exchanges by March 1, 2013, this deadline has been extended because the government has yet to issue a model notice. Assuming that the exchanges

are running by October 1st as intended, employees will be most concerned about the continued availability of employer-sponsored coverage and if their interests will be best served by remaining in their current plan. Other PPACA requirements with implications in 2013 include:

90-Day Waiting Period: Some employers may need to monitor time sheets during 2013 in order to determine exactly who will be eligible for coverage in 2014. This relates to a new maximum 90-day waiting period for health care coverage that will be in effect next year.

Per-Employee Assessment: Beginning in July of this year, insurers and self-funded plans must begin reporting and paying a \$1.00 per covered life assessment to the new Patient-Centered Outcomes Research Institute, intended to collect and publish information about patient treatment. This fee increase to \$2.00 per covered life next year and then be adjusted for inflation for the remainder of a 7-year period.

As you begin to formulate a strategy for 2014, you’ll be on the right track if you emphasize accountability and wellness. Other priorities we’re helping our clients address include greater transparency with provider pricing, close coordination of health management programs and better communication to help employees make smarter health care decisions.



Health Care Reform Update

Account-Based Plans Keep Growing

According to consultants Towers Watson, enrollment has nearly doubled in the last two years alone for account-based health plans when paired with a tax-preferred HSA or HRA account having individual deductibles of \$1,000 or more. Data from 2012 indicates that nearly 30 percent of Americans have one of these options in place and more than two-thirds of employers have implemented these plans. Surveys even show that more than 10 percent of employers have made account-based plans their only offering, which is an increase from just over 7 percent in 2010.

Public Entities Slow To Change

While public employers are lagging behind private employers, one exception is the State of Indiana, where 90 percent of all state workers who have employer-sponsored coverage are participating in an account-based health plan. While far too many public employers are passing up available cost savings by failing to offer consumer directed options, the bigger problem is that they are missing out on the opportunity to change the way employees think about their health and well-being. Research increasingly indicates that those with HSAs and HRAs are more willing to talk with a physician about treatment options and costs before actually seeking care. They also are more inclined to use online tools to manage their health care expenses.

The Impact of Health Care Reform

The fact that HRAs and HSAs will be offered on public exchanges should mean that they will survive when PPACA is more fully implemented in 2014. Details and regulations surrounding these accounts, however, have yet to be formalized. At this point, all we can do is hope that the burdens placed on these accounts are not so great that they offset the cost savings and employee engagement features that have continued to improve over the past several years.



Trends Latest Happenings in Today's World

Virtual Doctor Visits

More and more doctors are offering virtual doctor visit services; connecting with patients in their homes via webcam. The ability to communicate with a doctor 24/7 via the Internet without an appointment and at a lower price point, appears to be appealing to patients and employers. From the doctor's perspective, this alternative presents

an opportunity for incremental new revenue and more flexible hours.

Are Your Workers "Strunching?"

A worker's posture is greatly affected by the technology they use, from desktop computers and laptops to tablets and smartphones. Research shows that professionals who use laptops on a desk or table

often push the computer away from them as they get tired. They then compensate for the strain by propping their chins up with their non-typing hand. Thus, the "stretched-out-hunch" or "strunch." Also, tablets and smartphones have moved from mainly personal use; to hard-working office tools, changing how people carry themselves throughout the day.

What's New in Health Care That's Good?

After years of attention on reform and rising costs, it's easy to ignore the positive developments that our health care system produces. Here are just a few innovative steps you may not be aware of.

Electronic Robots

More medical schools and teaching hospitals are training students with the use of lifelike electronic robots that bleed, have seizures and even give birth. Studies show that these robots are helping providers improve teamwork and enhance crisis management skills.

Health Information at Your Fingertips

Virtually anything can be researched on a tablet or smart phone these days, and health and wellness are no exceptions. Apps are available for everything from counting calories to childhood infections. The Nemours Foundation has information on 85 childhood conditions with advice on when to seek immediate care and the Center for Disease Control and Prevention makes it easy to obtain a wide range of health information on your smartphone.

Faster Treatment of Heart Attacks

In many cities, treatment of heart attacks begins even before patients reach the hospital as EM technicians perform electrocardiograms and transmit results wirelessly to the emergency room. Other measures are also making a great difference in survival rates, with the theme being call 911 as soon as possible and whenever possible, avoid getting to the hospital in a private vehicle.

Agencies Release Final Rules



In late February, the departments of Health and Human Services, Labor and Treasury released final rules clarifying how self-insured plans are to comply with ACA's cost sharing limitations and how they must calculate minimum value.

Cost-Sharing Limitations

The final rule confirms that the amounts paid for deductibles, co-pays and co-insurance cannot exceed the maximum out-of-pocket limits for a high-deductible health plan defined under HSA rules for 2014.

The rule also confirmed that self-funded plans are not required to comply with the annual deductible limits that apply to fully-insured health plans for small groups, which are \$2,000 for single coverage and \$4,000 for family coverage.

Determining Minimum Value

The final rules also establish that self-funded plans will meet the Minimum Plan Value threshold if the employer's share is at least 60 percent of the total.

An employer's contributions to an HSA and new amounts made available under an "integrated" HRA will be taken into account in determining the employer's share of the total.

More specifically, here are a few ways Minimum Plan Value can be determined:

- The Minimum Plan Value calculator made available by the Department of Health and Human Services and the IRS can be used
- Any safe harbor established by HHS and the IRS can be used
- Plans that are not suitable for either the above methods due to non-standard features, can use an actuary to certify Minimum Plan Value

Clients with specific questions on these final rules may contact our compliance specialists at any time.

New Employment Eligibility Verification Form

The U.S. Citizenship and Immigration Services (USCIS) has published a new version of Form I-9, used by employers to verify the identity and authorization of their employees to work in the United States. The new form contains several new information fields, including space for foreign passport information and email addresses.

Employers may begin using the new form immediately, but must do so by May 7, 2013 in order to avoid USCIS penalties. The USCIS also notes that employers do not need to complete the new form for current employees unless there is a need for re-verification.

Click on the following site for further information, forms and instructions.

<http://www.uscis.gov>



Limiting Medical Tests

In an increasing effort to restrict unnecessary health care and lower costs, an assembly of medical groups is issuing a set of recommendations to limit commonly overused tests and treatments. These recommendations, spearheaded by the nonprofit American Board of Internal Medicine (ABIM), are based on an assessment of scientific evidence and intended to

help doctors and patients realize that more tests are not always better.

Demand for Advocates Grows

As the U.S. population continues to grow and age, there is a related need for more trained health care advocates. Patient advocates help individuals and their families understand the complex health-care

system, sort through medical bills and insurance requirements, and advise family members on how to advocate for sick relatives. The U.S. Department of Labor projects this field will grow by over 25 percent in the next five years. Health care institutions are also looking for individuals who can manage current and impending changes in the U.S. health care system brought on by the Affordable Care Act.

Did You Know? New Ideas for Healthy Consumers

Managing Medications: Take Our Quick Quiz

1. According to the FDA (U.S. Food and Drug Administration), splitting pills:

- a. Is safe for all medications
- b. Can affect the way a medication is absorbed
- c. Should never be done unless the pills are approved for splitting and you have your doctor's approval
- d. Both b and c

2. Which tip is NOT recommended for storing medication?

- a. Store it in a cool, dry place
- b. Keep it in the original container
- c. Keep the cotton plug in the bottle
- d. None of the above

3. When talking with your doctor, you should let them know you take:

- a. Vitamins
- b. Over-the-counter medicines
- c. Herbal supplements
- d. All of the above

4. When ordering medication online, you should only purchase from a website that:

- a. Has an FDA seal of approval
- b. Is accredited by the Verified Internet Pharmacy Practice Sites (VIPPS) program
- c. Is based in Canada
- d. Has testimonials

Answers: 1. (d) 2. (c) 3. (d) 4. (b)

Do Your Kids Need Vitamins?

The American Academy of Pediatrics states that supplements are rarely needed in children ages 5 to 10 because most children can get all the vitamins and minerals they need through diet alone. However, many children have erratic or poor eating habits, or follow a certain diet (for example, no meat or dairy). In these cases, a supplement may be necessary. It is important to talk with your pediatrician about your child's eating habits to see if supplements might be beneficial. Your pediatrician may suggest taking vitamins or provide other diet-related suggestions to help your child meet nutritional needs.



The Healthy Choice: Butter or Margarine



They sit side by side on grocery store shelves, so which one do you choose? More importantly, which one is the healthier choice? According to the Mayo Clinic, most margarine is healthier than butter. Margarine is made from vegetable oils and does not contain dietary cholesterol. It is also higher in good fats, which when substituted for saturated fats, reduces bad cholesterol. However, not all margarines are a healthy choice, such as stick margarine, which contains trans fat. Instead, choose a soft or liquid margarine with the least amount of calories, saturated fat and no trans fat.

Please Contact Us: This newsletter is not intended as a substitute for personal medical or employee benefits advice. Please consult your physician before making decisions that may impact your personal health. Talk to your benefits administrator before implementing strategies that may impact your organization's employee benefit objectives.

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