DIVERSIFIED GROUP

PROUD TO BE NAMED A 2017 TOP WORKPLACE!

TOP WORK PLACES 2017 Hartford Courant

# GROUPSCOOP

*Important news and updates from your benefits professionals*

**Vol. 2018, Iss. 01**

## This Issue



# Resolve to Do More to Control Health Care Costs!

The Diversified Group family would like to say Happy New Year! We would also like to thank you for helping us to celebrate our 50th Anniversary in 2017. This major milestone couldn't have happened without you, our clients and our incredible employees.

As an organization we are truly blessed to have an average employee tenure of 15 plus years and client retention of around 14 years. Because of our growth we have also added several new members to our team who will bring even better service and solutions to you and your employees, and we are very excited to have them on the Diversified Group team!!

In this edition of the Group Scoop we will discuss many concepts and tools that we offer here at Diversified Group which, of course, we have implemented on our own health plan. We hope you will consider adding the following programs in 2018 if you haven't already:

– **Teladoc**
– **RealTimeChoices**
– **RealTimeHealth**
– **Chronic Disease Management**
– **Corporate Fitness and Health**

As employers we will, of course, battle plan participant engagement and we will need to continue to promote these programs to our plan members and work hard to keep things fresh and solution-oriented. We all need to do what we can to control the cost of health care.

Our team looks forward to seeing you in the near future and once again Happy New Year and Thank You for your business.

The Diversified Group Team

## Keep Informed

DIVERSIFIED GROUP

369 North Main Street
Marlborough, CT 06447
PO Box 299

www.dgb-online.com

# Are Costs Really Beyond Anyone's Control?

In at least one big city, a major carrier is providing 100% coverage to public employees for MRIs, CT Scans and other imaging services only when free-standing, non-hospital based facilities are used. What do you know? Independent TPAs have been helping self-funded health plans do things like this for years.

Too many people have long considered rising health care costs to be a condition we simply must live with. Fact is there are alternatives, most of which can only be implemented when the plan's best interests are first and foremost.

### Detailed Reporting Needed

In contrast to a fully insured plan or self-funding with a carrier-owned ASO, using an independent TPA enables the plan to make informed decisions based on detailed reporting – reporting that the plan owns.

There is no secret to controlling plan costs. It requires discipline and the tools to monitor individual parts of the plan, such as prescription drugs, imaging, chronic disease management and more. Analyzing expenditures such as these can yield huge savings over the course of a year, but only when your administrator is free of carriers or provider affiliations. Having checks and balances in place can make all the difference.





# ACA Mandate Penalty Eliminated

The ACA has required people to have what the government has classified as minimum essential coverage, or else pay a penalty which now amounts to 2.5% of modified adjusted gross income over the income tax filing threshold.

While the House version of tax reform did not change the penalty in any way, the Senate version cut the penalty to 0% and in joint conference debates, the reduction was kept in the bill that was just passed by both houses. The Senate provision is not a repeal of the penalty, but instead a reduction, which could be increased by Congress in the future. While lower corporate and personal tax rates will take effect this year, this reduction will not become effective until 2019.

# Commonsense Reporting Bill Introduced

In October, a bipartisan group of senators introduced a bill that would ease the ACA reporting mandates for employer-sponsored health plans. The bill would roll back the reporting requirements of Section 6056 and replace them with a voluntary reporting system. The bill would also allow payers to transmit employee notices electronically rather than having to send paper statements by mail.

While self-funded health plans must now comply with Sections 6055 and 6056, it is not yet clear how the bill would affect Section 6055 requirements. Senators Rob Portman of Ohio and Mark Warner of Virginia, sponsors of the bill, say their proposal would give the government a more effective way of applying premium tax credits to consumers who purchase insurance through an Exchange, something the administration has been trying to accomplish.

# Trends Latest Happenings in Today's World

### Beware of Facility Fees

Members would be well advised to keep an eye out for a new wrinkle in provider billing – facility fees, resembling resort fees often tacked on to daily room charges at upscale hotels. These fees, being charged by some hospital-owned clinics in addition to the charge for physician services, are said to be the result of hospitals acquiring more and more physician practices. They are also one more reason to look closely at provider billing.

### Another Beverage Tax Bites the Dust

A penny per ounce tax which went into effect throughout Cook County, Illinois in July has officially come to an end. Presented as a way to combat obesity, diabetes and heart disease, what quickly became known as the "Chicago beverage tax" was so unpopular that county commissioners were pressured to end the tax on December 1, 2017. Officials are so desperate to fill the resulting budget gap that a few have actually mentioned sharpening their pencils and cutting expenses. Imagine that!

# Momentum for Paid Parental Leave Builds

The 1993 federal Family and Medical Leave Act (FMLA) provides up to 12 weeks of unpaid leave for qualifying employees. While workers at some companies are able to cover a portion of their pay during their leave, the vast majority do so by using their employers' short-term disability insurance.

While federal budget proposals discussed earlier this year included funding for six weeks of paid leave for new mothers and fathers, and a proposal in the House has endorsed "workflex" options, newly passed Tax Reform legislation did not address the issue. With first-daughter Ivanka Trump promoting paid family leave throughout the 2016 campaign, and mid-term elections approaching, we are sure to hear more about this later in the year.

# Pregnant Workers Receive Accommodations

Beginning in April of 2018, employers in Massachusetts will need to provide reasonable accommodations to pregnant employees, including measures to prevent discrimination against those pregnant workers who request an accommodation. Some of these accommodations will include allowing more frequent or longer breaks, modifying seating or other work-related equipment, temporarily transferring pregnant employees to a less strenuous or hazardous position and providing private non-bathroom space for expressing breast milk. According to the Pregnant Workers Fairness Act, employees must be notified of these rights, in writing, beginning January 1, 2018.

## CMS Modifies Bundled Pay Requirements

While hospitals in 34 geographic areas will still be required to participate in the Comprehensive Care for Joint Replacement Model, hundreds of acute care hospitals in other areas have received a reprieve. In addition to modifying CJR model compliance, CMS recently finalized plans to cancel the Episode Payment and Cardiac Rehabilitation Incentive Payment Models, both of which were scheduled to become effective on January 1, 2018.

While a number of hospitals will voluntarily participate in the CJR model and others have expressed interest to participate in the two cancelled models, the agency said there would not be enough time to restructure the models prior to the planned 2018 start date. Even though some have criticized the Trump administration for a lack of interest in value-based care, the administration has expressed a strong commitment to value-based payment, but says it prefers voluntary models.

## What's Hot and What's Not

The new year is a good time to look at the benefits larger companies are using to attract and retain good people. According to their 2017 Employee Benefits report, the Society for Human Resource Management tells us that HSAs, wholesale generic drug programs for injectable drugs, standing desks and genetic testing for chronic diseases are becoming popular. The report shows that 55% of businesses allow those with high deductible health plans to put part of their pay into an HSA tax-free. This is up from 42% just a few years ago. 36% of employers now also contribute to workers' HSAs. The percentage of employers covering genetic testing rose from 12% to 18% in just one year.

"Not so much" would describe dwindling interest in medical FSAs, long-term care insurance, mental health coverage and use of personal or life coaching. In other trends, daily casual dress has become the norm at 44% of surveyed companies and nearly 60% of companies now allow telecommuting.

### Student Loans and Standing Desks

Financial wellness, standing desks and other wellness strategies are high on the list of benefits trending upward in 2018. According to the Society for Human Resource Management, a growing number of organizations are offering programs to help employees improve their financial wellbeing. Some companies are providing debt counseling and help with repayment of student loans. Standing desks are becoming very popular, with a growing number of companies offering them to employees as a new wellness benefit.

### Annual Family Coverage Nears $19,000

The 2017 Employer Health Benefits Survey by the Kaiser Family Foundation shows an increase in the cost of family coverage from $18,142 in 2016 to $18,764 in 2017. While the 3.4% increase is seen as relatively modest compared to previous years, it was also noted that employees paid close to a third of the annual family premium – approximately $5,700.

### Workers Retiring Later

The Society of Actuaries reports that nearly one in five Americans in their early 70s are still working. A big reason cited is that the age at which people can claim full Social Security benefits is currently 66. With actuarial tables showing that a 65-year old male can expect to live an additional 20 years, working longer has become a necessity, since retirement may very well last far longer than previously anticipated.

# Empowering Employees:
## Big Talk, Little Action

Telemedicine offers a lot of potential for everyone – added convenience for busy families and lower costs than a traditional office visit. But as helpful as this service can be, it will only make a difference if it is used.

Low utilization is not unique to telemedicine. It's a common problem with many new, well designed and well-intended health care services. Encouraging plan members to actually use new offerings is a challenge for employer groups, large and small. And while utilization is often higher in self-funded health plans, all employers need help turning talk into action. Here are a few ideas to consider:

***It's all about them*** – With health care consuming more of everyone's income and attention, we all have a vested interest in our benefits. And while wonderful tools like telemedicine keep coming to the table, you need to look at these offerings from your member's perspective rather than your own. Talk with your employees; ask if a service will help them and listen to their feedback. If it can add real value to your employee's lives, utilization will follow.

***Talk about health, not cost*** – Research indicates that when it comes to their health and wellbeing, there are many things members would prefer to hear about than fees and costs. A majority are interested in improving their health. It takes time, but focusing on current health risks and personalizing communications as much as possible will help members want to get more engaged.

***Educate to empower*** – Transparency tools and online portals are no different than other modern advances. If people don't understand them, they will never catch on. Like telemedicine, unless employees understand how to use it and when they can use it, they will never realize the benefit of having an experienced, board certified physician, with access to their medical records, available to help them 24/7.

While it seems that other new disruptive innovations, such as Alexa, catch fire overnight, they do take time. Since your employee communication budget likely pales in comparison to those driving consumers to Amazon, talk with your TPA about new ways to zero in on the needs of your employees. Doing so can lead to increased utilization and a happier, healthier workforce in 2018 and beyond.



# Social Corner

*Keep informed by connecting with Diversified Group online...*

## Strong Growth Forecast Has Future Looking Bright for Telemedicine!

Telemedicine has been a hot topic in healthcare for some time. There's been much discussion of its potential for added convenience and lower costs, as well as discussion pointing out its low utilization. We believe strongly in telemedicine and work closely with clients to help them explore its potential to help control costs and meet the needs of employees.

To learn more about Telemedicine, its potential for cost savings and the solutions we offer, visit *dgb-online.com/telemedicine*.

### ON OUR BLOG

#### 5 Ways to Keep Benefit Costs Down in 2018

A recent article by BenefitsPRO discusses how new data and insights related to employee health are enabling employers to craft strategies to bend, or at least stay on top of, rising healthcare costs.
*Read More at https://info.dgb-online.com*

### LINKEDIN

*linkedin.com/company/diversified-group*
What types of changes 2017 brought for employer-sponsored health benefits? Find out this and more!