

## This Issue

### MEC Plans

Are they an option your company can benefit from?

### Health Risk Assessments

Wearable devices and mobile apps make health profiles readily available

### High Blood Pressure

It's a problem that affects employee health and more

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### Also

### From Our Blog

Don't Let Confusion, Turmoil and Inactivity Hurt YOUR Health Plan – Learn how to take control even in the face of health care reform.

### Keep Informed



# We've Got You Covered

## Welcome to the Fall Edition of the Group Scoop.

We hope you enjoyed the beautiful weather this summer and we are all hoping for a milder winter this year.

Those of you that attended the seminar on September 15th were introduced first hand to the many enhancements we have made to our services and products.

The theme of the seminar was *"We've Got You Covered"* and we hope you will embrace these new tools which will help to lower claim costs and improve the Member experience. We also provide help for you to be compliant with the Affordable Care Act.

### Real Time Choices (Price Transparency Tool):

You might be surprised at how much costs can vary for the same service between providers. Imagine a tool that runs on your iPhone, Android phone, tablet or computer that puts Real Time cost data in the palm of your Member's hand at the moment they are making healthcare choices. That tool is here and it's called Real Time Choices. The plan Member can look up, in real time, 200 common procedures - including surgery, labs and image tests – and instantly see the healthcare providers that offer a fair price in **GREEN**, providers that charge slightly above a fair price in **YELLOW** and the most expensive (**RED**) providers and facilities. Plan Members that utilize the **GREEN** High Value/Low cost providers receive cash incentives (**GO GREEN TO GET GREEN!**). Since this can be done in the doctor's office, the primary care physician is part of the selection process which ensures quality and comfort with the selection.

**Real Time Health:** 24/7 diabetic management program that uses a state of the art cellular based glucometer to automatically, consistently and accurately take and



record a Member's glucose readings. This program creates peace of mind, ongoing encouragement and motivation to manage diabetes.

**TelaDoc:** 24/7 Medical consultations via telephone, video or e-mail which saves time, money and is more convenient for plan members.

### New Enrollment Technology (bswift):

Our new web based technology offers the following:

- Interactive decision support tool (Ask EMMA) guides the plan participant through the enrollment process and answers the plan participant's questions.
- ACA reporting solutions
- Benefit plan advisor
- Compensation statements
- Defined Contribution plans - Give your employees a set amount of money to spend on benefits, (like an allowance for their insurance) and they use the money to shop for the coverage that meets their individual needs. The goal here is to control the rising cost of healthcare, promote consumerism and provide flexibility to tailor the health and benefits allowance for your employees.



## Can a MEC Plan Help Your Company?



Under the Affordable Care Act (ACA), Applicable Large Employers (ALEs) can avoid paying the \$2,000 per employee penalty for failing to offer qualifying health coverage by offering full-time employees a Minimum Essential Coverage (MEC) plan.

**Offering the most basic benefits** – MEC plans offer only the most basic level of benefits required under ERISA and while some may view them unfavorably, others view MECs as a viable alternative to paying costly penalties and sending employees to public Marketplaces.

**MECs are extremely affordable** – Since MEC plans cover only certain wellness and preventive services, many employers fund the entire cost even though this is not required. Simply offering a MEC satisfies the ALE's obligation to offer coverage, as well as the individual mandate that can penalize employees who do not have coverage.

**Some prefer a combined approach** – Employers wishing to furnish more coverage may supplement a MEC with a Limited Medical Benefit plan. This can provide additional, restricted coverage for routine doctor visits and hospitalization, while still costing far less than a traditional health plan. Since employers can also be assessed \$3,000 for each employee qualifying for a federal subsidy, some may pursue a combined option to keep workers from accessing a public Marketplace.

As we help companies weigh their options, MEC or a combination MEC/Limited Medical Benefit plan should be considered. If the costs associated with ACA present challenges to your organization, let us help you determine the best way to proceed.

## Health Risk Assessments Now a Daily Occurrence

Annual comprehensive health assessment events are still very valuable employee engagement tools, with the ability to create “teachable moments” for plan participants and their dependents. Traditional health risk assessments, however, cannot match the dynamic qualities of wearable devices and mobile apps, which now generate and store data about behavioral characteristics such as food consumption, blood pressure, weight, physical activity, sleep and more.

As the scope of available health-related data continues to expand and these devices become even more popular, wellness providers will be challenged to find ways of ensuring that information being captured is used in a HIPAA-compliant manner. The value of these tools in workplace wellness will lie in the ability to integrate relevant data sources and use the data to help members achieve desired wellness goals – especially those with chronic health conditions.



## Will Mobile Enrollment Become the Standard?

The days when employers worried about workers who lacked a home computer with internet access have come and gone. Today, more employers are concerned with how to enable their workers to make benefit elections on their smart phone or mobile device.

It's not surprising when you realize the speed at which the mobile revolution is taking hold.

When you hear that 13 million new iPhones are sold on the first weekend they are released, it's not hard to believe that 70% of working age adults possess a smart phone or tablet with internet access. As these devices become more and more powerful and displays become larger and easier to read, you have to believe that it won't be long before email and printed handouts are replaced by mobile enrollment.

## Trends Latest Happenings in Today's World

### Online Second Opinions Expand

Medical centers that offer second opinions online are experiencing increased demand for their services, especially from patients located overseas and those with very serious conditions. According to the Patient Advocate Foundation, costs for an online second opinion vary, often ranging from \$500 to \$1,500. One new California-based service provides second opinions for \$300 with optional video conferences costing \$200 more.

### Say Goodbye to Commercial-Free Waiting Rooms

If the television in your doctor's waiting room isn't yet mixing paid commercials with educational videos, get ready for the fast-growing form of marketing called “point of care” advertising. It's just one of several ways that technology companies are helping medical device and drug companies reach patients.

# Health Care Reform & Regulatory Update

## Debate on Cadillac Tax Continues

While there is plenty of discussion about the tax on high cost health plans, the tone has changed somewhat since the CBO said the federal government would forfeit over \$80 billion if the tax were repealed.



One of the big concerns related to the Cadillac Tax is its impact on benefits that help reduce out-of-pocket costs for working families. When the tax takes effect in 2018, a 40% levy will apply to benefits that exceed the government-set threshold. Employer contributions to FSAs and HSAs, and even costs associated with on-site clinics, would be included in the tax calculation.

Doing away with these accounts would increase out-of-pocket costs for millions of Americans. While lawmakers on both sides of the aisle support a bill to repeal the tax, they face an uphill battle. Not only is the government counting on the tax to raise a projected \$87 billion over 10 years, but President Obama has stated he will veto any legislation that weakens the health care reform law.

A trend that many say is related to the tax is a continued rise in deductibles, which according to Kaiser Family Foundation research, have increased by about 8% from a year ago. Recent polling by consultant Mercer shows that 41% of employers have already added a high deductible plan in anticipation of the tax.

## PCORI Fee Rises to \$2.17

The Internal Revenue Service (IRS) just announced that the fee that supports the Patient Centered Outcomes Research Institute (PCORI) will increase from \$2.08 to \$2.17 per covered life, an increase of 4.3%.

The increase will apply to health plan years that end on or after Oct. 1, 2015 and before Oct. 1, 2016. Under the PCORI provision, all health insurers and self-insured major medical plans are required to pay the fee.

## ACA: **FICTION** OR **FACT**

With so much information flying around on the Affordable Care Act, it can be a challenge to determine what is correct. In an effort to clear up ACA confusion, here are a few facts that you may have seen misstated.

**Fiction:** The out-of-pocket limits applicable to qualified high deductible health plans are the same as limits imposed on health plans.

**Fact:** Actually, the limits applicable to qualified high deductible health plans (HSA compatible plans) are slightly lower than the ACA limits. This can be very important since using ACA limits can disqualify enrollees in a qualified high deductible plan from contributing to a health savings account.

**Fiction:** Large employers that do not offer health benefits or that qualify for 2015 transitional relief do not have to file the 2015 Form 1095-C/1094-C.

**Fact:** All employers that averaged 50 or more full-time employees plus full-time equivalents during the calendar year 2014 must file these forms.

**Fiction:** The Cadillac Tax only applies to large employers that are subject to ACA employer shared responsibility.

**Fact:** The Cadillac Tax applies to all employers that offer health plans.

**Fiction:** U.S. expatriate plans are completely exempt from ACA rules.

**Fact:** While qualifying plans are exempt from certain market reform rules and hours worked overseas do not accrue toward shared responsibility full-time employee calculations, the Cadillac Tax is scheduled to apply to these plans.

In addition, tech companies are also beginning to provide advertising on tablets given to patients in exam rooms and on screens mounted on the wall to offer information about various medical treatments. These companies are also bringing Wi-Fi into doctor's offices, encouraging patients to opt in to receive notifications from their physician – ad-supported of course. These days it can seem like advertising is everywhere – and it's looking more and more like your physician's office is no exception.

### Venture Capital Helps Primary Docs

Changes in how doctors get reimbursed and new requirements such as electronic medical records are causing major headaches for physicians trying to remain independent. With venture capital funding, Chicago-based Village MD is helping independent physicians integrate their electronic databases with insurer's claims systems. Their goal is to keep patients from being readmitted or retreated, thereby avoiding reduced payments and penalties tied to

the Physician Quality Reporting System and other ACA initiatives.

### Uninsureds Fall – Deductibles Rise

Census Bureau figures show that the percentage of Americans without health insurance fell from 13.3% in 2013 to 10.4% in 2014 – approximately 8.8 million people. At the same time, the average cost of employer sponsored health care coverage rose by about 4% to more than \$17,500 this year, from \$16,834 last year.

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### Plan Appointed Claim Evaluator (PACE):

The PACE service is an option available to all self-funded health plans administered by Diversified Group, regardless of plan design. With PACE, self-funded groups can avoid the risk and burden of being a fiduciary when a plan participant appeals a final adverse benefit determination.

By serving as an authorized Plan Appointed Claim Evaluator, Phia Group ensures a self-funded plan that:

- All claims are correctly paid pursuant to the Plan Document
- Employer's decisions are reviewed by a PACE prior to any other external review
- The risk of arbitrary decision-making and a resulting fiduciary breach is eliminated

### One Last Word On ACA

If you haven't put in place a plan to address the reporting requirements under the Affordable Care Act (ACA), you must act immediately. Failure to do

so could result in substantial penalties.

In our eyes, the next big ACA challenge is the Cadillac Tax. We will continue to work with SIIA (Self Insurance Institute of America) and the SPBA (Society of Professional Benefit Administrators) to voice our concern over this tax. Please pay attention to the tax, speak to your legislators and be involved.

Thank you again for working with Diversified Group. We enjoy working with you and value your business!

# Self-Funding: About More Than Savings

For decades, employers determined to get a handle on runaway health care costs have compared self-funding to their traditional fully insured plans. Many who have made the move have discovered that the opportunity for savings is just one advantage. Others include flexibility in plan design, access to plan and utilization data and the ability to use that data to influence employee health for the better.

### Plan Design Flexibility

Having control over the design of your employee health benefit plan is huge – especially in light of the Affordable Care Act (ACA) and the costly benefit mandates that came with it. Partially self-funded health plans, those with stop-loss coverage to cap claim costs, are subject to federal ERISA laws,

thereby avoiding state regulations and some ACA provisions. Best of all, programs can be designed to meet the needs of your population and evolve as needs change.

### Efficient Administration

With a self-funded health benefit plan, your company pays only for fixed expenses like administrative fees and stop-loss insurance premiums and claims that your covered group incurs. Profit margins, risk charges, reserves and most state premium taxes, common to fully insured plans, are avoided.

### Access to Claims Data

Access to plan and utilization data enables a self-funded plan to modify far more than contribu-

tion levels. Data analysis can help identify factors driving claims. Those with chronic conditions can get the help they need when they need it. Worksite wellness measures can be designed for greater impact and costly health issues that do arise can be addressed earlier.

Just like the many aspects of our lives that can now be customized at the click of a button, the days of one-size-fits-all health insurance plans are gone forever. Subject to state regulations, an increasing number of employers of 25 or more will discover that flexibility and control in health benefits will belong to those organizations that work with an independent third party administrator to adopt partial self-funding.

## Did You Know?

### High Blood Pressure and The Bottom Line

In America today, nearly one in three adults has high blood pressure, with fewer than half having the disease under control. If you're an employer wondering why you should care, consider these facts:

- High blood pressure is one of the 10 most expensive conditions impacting U.S. employers.
- People with high blood pressure miss up to 4 more work days than those without a chronic condition.
- More than 35 million physician office visits are attributed to high blood pressure each year, with some of these visits requiring time away from work.

To have a positive impact on the overall health of your workforce and lower costs associated with high blood pressure, consider the following steps...

**Education** – 20% of Americans don't realize they have high blood pressure, so raise awareness by providing screenings. National High Blood Pressure Month, in May of 2016, may be the perfect time.

**Healthy Eating** – Support healthier eating by offering low-sodium snacks in office vending machines.

**Get People Moving** – If possible, encourage those participating in small group meetings to walk and

talk rather than sitting. If standing or treadmill desks are feasible in your workplace, consider adding a few and see how things go.

There are many ways to address hypertension in your business. Regardless of how your company chooses to proceed, people will benefit and so will your bottom line.

**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.