



Benefit Bullets

Jennifer Geesey | Central Penn Benefits | 717-718-5687 | jgeesey@centralpennbenefits.com

March 17, 2014

Health Care Reform

Noncompliant Health Plans Allowed to Renew for Two Years

On March 5, 2014 the Obama administration extended the renewability of noncompliant health plans under PPACA for an additional two years into 2016. Similar to the administration's first reprieve announced in November 2013, each state will have the option to allow or disallow noncompliant plans to renew into 2016, with the potential of an additional year where appropriate. The transitional policy will impact individual and small group markets, including those employers in the 51-100 full-time equivalent market that are considered large groups today but in 2016 will be small group by the laws definition. In states that allow the noncompliant plans to exist, a group or individual policy may be renewed prior to October 1, 2016 and not be required to meet certain PPACA standards such as essential health benefits, pre-existing condition exclusions, and community rating requirements. Carriers that renew a policy that would have been otherwise noncompliant will be required to notify all plan participants of the plans noncompliance.

Subsidies Extended to Those Unable to Enroll Via State Run Exchanges

Similar to the issues realized on the federally facilitated exchanges, many states that chose to establish their own exchange have encountered enrollment issues over the past few months. On February 27th, HHS announced individuals who were unsuccessful at obtaining subsidized health insurance through state established exchanges due to website issues, will still be eligible to receive a subsidy even if they resorted to purchasing coverage outside the exchange. "We recognize that some states have experienced difficulties in processing automated eligibility determinations and enrollments, and (are) providing options to marketplaces to ensure eligible consumers have access to financial assistance and issuers are paid" said HHS in their announcement. Despite offering to all states, mainly Democratic lead states will benefit from the new policy as many Republican run states defaulted to the federally facilitated exchanges.



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2015 Employer Shared Responsibility Transitional Relief

Following the Obama administration's announcement to delay employer shared responsibility penalties, commonly referred to as pay or play penalties, for 2014, final regulations were released addressing additional transitional relief for 2015. The final regulations postpone any penalty for employers with 50-99 full-time employees until 2016 who certify the following are true:

The employer does not reduce workforce size or employees hours of service between February 9, 2014 and December 31, 2014 in order to meet the 50-99 full-time employee size requirements. If a reduction is made, it must be for a "bona fide business reason." The employer makes no material changes to plans currently in place on February 9, 2014.

Additionally, for employers with 100 or more full-time employees the final regulations reduce the requirement of employers to offer minimum essential coverage to at least 95% of full-time employees down to 70% for 2015. For those large employers who chose not to offer coverage to 70% or more of the full-time employees, the final regulations transition relief will only penalize full-time employees less than 80, rather than 30 as defined by the law, for the 2015 calendar year.

Compliance Corner

Final Rules Implement ACA Employer Reporting Requirements (ACA):

Two Final rules were issued on March 6, 2014 by the US Treasury Department and the Internal Revenue Service that implement the information reporting provisions for employers and insurers that take effect in 2015 under the ACA. The reporting rules will impact Applicable Large Employers (employers with 50 or more full time equivalent employees) and all self-funded plans. Section 6055 requires reporting of individuals who have Minimum Essential Coverage (MEC) and section 6056 requires Applicable Large Employers (ALE) to report information to determine compliance with the Employer Shared Responsibility Mandate (pay or play).



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The ACA calls for employers and insurers to report information including:

For IRS Code Section 6055:

- Information about the entity providing coverage, including contact information
- Which individuals enrolled, with identifying information (SSN) and months they were covered
- Fully insured plans will be reported by the insurer, so small groups with fully insured plans will not have any reporting requirement

For IRS Code Section 6056:

- Information about the employer offering coverage, including contact information and number of full-time employees
- For each full-time employee, information about coverage offered to the employee by month, including the lowest employee cost of single coverage offered
- All ALE are responsible for complying with this reporting requirement.

Applicable Large Employers that self-insure will have a simplified process in which they report under both the ACA's employer and insurer reporting provisions. The treasury will provide a single consolidated form that employers will use to report to the IRS with sections 6055 and 6056.

For additional information on this provision see the Fact Sheet from the Treasury Department - [Fact Sheet](#)



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Product Spotlight

Employee Assistance Programs

As employees live their daily lives, they may face personal, family or work-related challenges. For many employers, this can present issues at the workplace as employees may take time off work, absenteeism or not be fully present and productive at work- known as presenteeism. Employees often look to employers for solutions. This can pose a challenge for time-strapped Human Resources departments.

One of the value-added benefits ancillary carriers offer are Employee Assistance Programs (EAP). EAP's are frequently available at no additional premium as part of the ancillary lines of coverage, typically with disability insurance. Some carriers do charge a fee for EAP services.

The EAP is a 24/7 resource which is available to employees and provides access to counseling services, both telephonic and in person. All services are confidential and can include:

Unlimited access to guidance consultants, with in person sessions with counselor's, web-based information and tutorials, training and personal development workshops, and substance abuse assessment. Critical incident response teams can be deployed to an employer's location when tragedy strikes the workplace

It is important to review your ancillary coverage to see if the carrier offers an EAP and to communicate this benefit to employees. For more information, please contact your Account Manager.



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DiscoverHealth ®

National Nutrition Month: What are Empty Calories?

With March being designated National Nutrition Month; it's likely the inundation of how to read food labels has begun full force. While reading nutrition labels may not pique the interest or fit the busy schedules of everyone, there are simpler ways to approach eating healthier via other, less involved means.

By understanding what you're eating by means of good, better and bad, tweaks can be made in everyday food choices to improve, be it small or big, the nutritional content and value of what you consume. One way to go about doing this is by understanding the quality (instead of just the quantity) of calories that compose the foods you eat.

A calorie is a measure of energy. Just as we use pounds to measure weight, we use calories to measure energy. It's no new news that in order for the body to operate, it needs energy. This energy is consumed by means of eating food and drinking - the intake of calories. While some may argue that a calorie is a calorie no matter what comprises it, no matter which side of the fence you are on, understanding the concept of empty calories is important.

When we think of something as empty, we think of nothing being there, or an absence. An empty pool has no water or people in it. An empty glass has no liquid. So what does it mean for a food to have empty calories? Does that mean it doesn't contain calories?

The reason some foods are considered "empty" is because they contain no or very little nutritional value. Empty calorie foods are classified as such because they possess the following characteristics: calories come from solid fats (fats solid at room temperature- butter, beef fat, etc.), calories come from added sugars (syrups and sugars added during processing or preparation), or calories come from both. Examples of empty calorie foods are cakes and pastries, french fries, beer, cream cheese, butter, fruit drinks, sodas and fried chicken.



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While it may be a no-brainer that the foods listed above are unhealthy, realizing reasons why they are (the empty calories!) can help you make more informed food choices. There are also healthier versions of largely-empty calorie foods that can be swapped out to allow you to still eat foods you like, but of a healthier variation. For example, take chicken. Chicken is a great source of protein, but it depends on how it's prepared. Grilling chicken or not breading it is a great option, frying it however is not. Huge sacrifices don't necessarily have to be made to reduce empty calorie food consumption.

Simple swaps from some empty calorie foods to few or no empty calorie foods:

Unsweetened applesauce *in place of* sweetened applesauce

Extra lean ground beef (96/4) *in place of* regular ground beef (75/25)

Baked or grilled chicken *in place of* fried chicken

Unsweetened cereals *in place of* sweetened cereals

As with everything in life and in nutrition, moderation is key. Keeping empty calorie foods to a minimum is important for optimum health and energy. Opt for healthier versions of foods with lower empty calorie content, and enjoy those foods you just can't sacrifice, but do so sparingly.



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Question of the Month

Question: If a plan includes a network of providers, is the plan required to count an individual's out-of-pocket expenses for out-of-network items and services toward the plan's annual maximum out-of-pocket limit?

Answer: No. A plan may, but is not required to, count out-of-pocket spending for out-of-network items and services towards the plan's annual maximum out-of-pocket limit. PHS Act section 2707 sets limits on cost sharing with reference to the limitations set forth in section 1302(c) of the Affordable Care Act. Under HHS regulations at 45 CFR 156.130(c) implementing Affordable Care Act section 1302(c), cost-sharing requirements for benefits that are EHB from a provider outside a plan's network of providers are not required to be counted toward the annual limitation on out-of-pocket costs.

If you have any questions about the information contained in this newsletter please contact your account team.

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