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PBCG News Alert

Health Care Reform

DOL Releases Final SBC Template For 2017

The Departments of Labor (DOL) and Health and Human Services (HHS) issued the final revised template and related materials for the summary of benefits and coverage (SBC).

Plans with annual open enrollment periods must start using the new template on the first day of the first open enrollment period that begins on or after April 1, 2017, with respect to coverage for plan or policy years beginning on or after that date. Plans without an annual open enrollment period must start using the new template on the first day of the first plan or policy year that begins on or after April 1, 2017.

Key changes to the document include:

- Introduction: The revised SBC contains a new introductory paragraph, which provides information about the purpose and structure of the SBC.
- Important Questions: The "Important Questions" section has been revised to include a question about services covered before the deductible is met. Questions

about annual limits and services not covered have been deleted, although the SBC still includes information on services that are not covered in a separate section. Questions regarding out-of-pocket limits and network providers have been rephrased, with the goal of helping consumers better understand plan terms.

- Disclosures: The SBC contains information regarding continuation coverage and grievance and appeal rights. These disclosures have been revised in the updated template. The SBC also contains information on whether the plan provides minimum essential coverage (MEC) and minimum value (MV). This information must be provided as a "yes" or "no" answer, along with specific language regarding potential tax consequences for the individual.
- Coverage Examples: The SBC includes coverage examples that demonstrate the cost-sharing amounts an individual might be responsible for in three common medical situations.
- Instructions: The instructions provide additional information regarding permissible font types and margin adjustments, and note that the SBC must not exceed four double-sided pages.

HHS Extends Transition Plan For Non-ACA Plans

The Department of Health and Human Services extended an existing transition policy for certain health plans that do not comply with the Affordable Care Act (ACA) for an additional year, to policy years beginning on or before Oct. 1, 2017.

Under the extended transitional policy, health coverage in the individual or small group market that meets certain criteria will not be considered to be out of compliance with the ACA's market reforms. Specifically, the extended transition relief policy provides that:

- States may allow issuers that have continually renewed policies under the transitional policy since 2014 to renew that coverage for a policy year starting on or before Oct. 1, 2017; but
- Any policies renewed under this transitional policy must not extend past Dec. 31, 2017.

According to HHS, the additional one-year extension is intended to smoothly bring all non-grandfathered coverage in the individual and small group markets into compliance with all applicable ACA requirements no later than 2018.

The extended transition relief only applies with respect to individuals and small businesses with coverage that has been continually renewed since 2014, under the previous transition guidance. It does not apply with respect to individuals and small businesses that obtained new coverage in 2014 or after. All new plans must comply with the full set of ACA reforms.

Also, as required under the previous transition policy guidance, health insurance carriers that renew coverage under this extended transitional policy must, for each policy year, provide a notice to affected individuals and small businesses.

DOL Increases FMLA Enforcement, Audits

The U.S. Department of Labor is focusing more of its resources on enforcing compliance with the Family and Medical Leave Act (FMLA) through employer audits. Although the DOL has always had the authority to conduct FMLA audits, the agency has been ramping up its efforts and taking a more aggressive approach in its investigations.

In the past, FMLA audits were usually triggered by an employee complaint or employer violation trends. Recently, however, the DOL has been initiating more audits on its own, without any triggering event. The DOL's new approach focuses on "systemic" FMLA compliance issues. These are issues that affect multiple employees or multiple employer locations, rather than a single person or worksite.

The types of information an auditor may gather include:

- Statistics regarding FMLA leave trends, employee requests for leave, employer responses to leave requests, types of occupation, types of requests and other classifications of information;
- Interviews with employees, supervisors, administrators and managers; and
- Records of leave requests, FMLA notices given to employees, employer leave determinations, employer's FMLA policy and handbook, and medical certifications and re-certifications.

Employers that are not prepared for an audit may be subject to costly settlements, fines and penalties. Employers subject to the FMLA (companies with 50 or more employees) should expect not only a greater likelihood of facing an FMLA audit, but also more on-site visits and requests for wider ranges of information from DOL investigators.

Wellness

OptumRx & Walgreens Announce Partnership

OptumRx and Walgreens announced they are partnering to create a new pharmacy solution to meet consumers' changing prescription drug needs and help employers, health plans and their members achieve better health outcomes and greater cost savings. OptumRx is UnitedHealth Group's free-standing pharmacy care services business.

The service is expected to be available to commercial clients implementing new 90-day prescription benefit designs beginning Jan. 1, 2017.

According to UnitedHealth Group, the companies will collaborate to deliver clients and members enrolled in the program an integrated pharmacy care offering that:

- Provides eligible OptumRx members the option to fill 90-day prescriptions at home delivery copay levels at any of Walgreens nearly 8,200 pharmacies nationwide or through OptumRx home delivery.
- Produces higher treatment adherence rates and better patient outcomes by giving patients the choice of how to receive their medications along with 24/7 pharmacist availability.
- Connects members to clinical guidance that addresses specific disease classes, such as diabetes, and increases drug adherence.
- Enables OptumRx and Walgreens systems to better connect and communicate health data and analytics to ensure members receive the most effective prescription drugs at the right cost.

The offering is also designed to meet the goals of members and health care sponsors seeking to better manage drug benefits and address the rising cost of care.