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PBCG News Alert

Health Care Reform

MLR Rebates Due By Sept. 30

The Affordable Care Act (ACA) requires health insurance issuers or carriers to spend a minimum percentage of their premium dollars on medical care and health care quality improvement. This percentage, or medical loss ratio (MLR), is 85 percent for issuers in the large group market and 80 percent for issuers in the small and individual group markets. Issuers that do not meet the applicable MLR standard must provide rebates to consumers.

Issuers are required to pay rebates by Sept. 30, 2016, based on their 2015 MLRs. While any fully insured employer with an active health insurance policy during the prior calendar year is eligible for a rebate, not everyone will receive a payment. Employers that expect to receive rebates should review the MLR rules and decide how they will administer them.

HHS Releases 2018 Proposed Benefit & Payment Parameters

The Department of Health and Human Services (HHS) released its proposed Notice of Benefit and Payment Parameters for 2018. This proposed rule describes benefit and payment parameters under the ACA, applicable for the 2018 benefit year, including updated standards as highlighted below. The rule would also enhance standards for state-based exchanges on the federal platform and create three new sets of six standardized benefit plan options in the federally facilitated exchange.

Annual Limitations on Cost-Sharing

Effective for plan years beginning on or after Jan. 1, 2014, the ACA requires non-grandfathered plans to comply with an overall annual limit - or an out-of-pocket maximum - on essential health benefits (EHB).

The ACA requires the out-of-pocket maximum to be updated annually based on the percent increase in average premiums per person for health insurance coverage.

- For 2016, the out-of-pocket maximum is \$6,850 for self-only coverage and \$13,700 for family coverage.
- For 2017, the out-of-pocket maximum is \$7,150 for self-only coverage and \$14,300 for family coverage.
- Under the proposed rule, the out-of-pocket maximum would increase for 2018 to \$7,350 for self-only coverage and \$14,700 for family coverage.

Individual Mandate's Affordability Exemption

Under the ACA, individuals who lack access to affordable minimum essential coverage (MEC) are exempt from the individual mandate penalty. For purposes of this exemption, coverage is considered affordable for an employee if the required contribution for the lowest-cost, self-only coverage does not exceed 8 percent of household income.

This required contribution percentage is adjusted annually after 2014, as follows:

- For 2015, the required contribution percentage is 8.05 percent of household income.
- For 2016, the required contribution percentage is 8.13 percent of household income.
- For 2017, the required contribution percentage is 8.16 percent of household income.

Under the proposed rule, the required contribution percentage would decrease in 2018. The proposed rule would provide that, for 2018, an individual is exempt from the individual mandate penalty if he or she must pay more than 8.05 percent of his or her household income for MEC.

Exchange Special Enrollment Periods

Under the Exchanges, certain special enrollment periods are available to ensure that people who lose health insurance during the year, or who experience other qualifying events, have the opportunity to enroll in coverage. The proposed rule would also amend

the provisions relating to special enrollment periods in the individual market in an effort to clarify the requirements and limit abuse.

Due to growing concerns over abuse of these rules, HHS recently added warnings on www.healthcare.gov about inappropriate use of special enrollment periods, eliminated special enrollment periods that are no longer needed and enhanced eligibility rules. The proposed rule requests comments on how to balance these concerns over abuse with the risk of creating barriers to enrollment for legitimately eligible individuals. In addition, the proposed rule would also codify existing special enrollment periods, in an effort to provide clarity and certainty with regard to these rules.

HHS may make changes to the proposed rule before finalizing it.

Individual Coverage

Aetna To Reduce Participation In Exchanges

Another health insurer has announced it will be pulling back in its participation on ACA exchanges. Aetna, one of the nation's major insurers, said it will no longer offer on-exchange individual policies in about two-thirds of the 778 counties where it currently provides coverage. According to Aetna, it will continue participating on exchanges in Delaware, Iowa, Nebraska and Virginia.

Medicare Open Enrollment Begins Oct. 15

The Medicare open enrollment period begins next month on Oct.15 and runs through Dec. 7. During this time, individuals have the opportunity to make changes to their Medicare Prescription Drug Plan or Medicare Advantage Plan. All changes become effective Jan. 1.

While everyone has the same benefits available through Original Medicare, prescription drug plans and Medicare Advantage plans vary by the county of residence. Those eligible for Original Medicare (Parts A & B) include:

- Individuals at age 65,
- Individuals under age 65 and qualifying on the basis of disability, and
- U.S. citizens or legal residents who have lived in the U.S. for at least five consecutive years.

Wellness

September is Fruits & Veggies - More Matters Month

Throughout the month of September, you can help your family be at their best by encouraging a healthy balance of diet and exercise. Fruits & Veggies - More Matters is a health initiative focused on helping Americans increase fruit and vegetable consumption for better health. The program is spearheaded by the Produce for Better Health Foundation, which has partnered with the Centers for Disease Control and Prevention.

According to the organization, more than 90 percent of adults and children do not eat the amounts recommended by the latest Dietary Guidelines for Americans and the MyPlate nutrition guide. The key nutrients in fruits and veggies can great sources of:

- Calcium: Calcium is essential for healthy bones and teeth. It is also needed for normal functioning of muscles, nerves and some glands.
- Fiber: Diets rich in fiber have been shown to have a number of beneficial effects, including decreased risk of coronary heart disease.
- Folate: Healthful diets with adequate folate may reduce a woman's risk of having a child with a brain or spinal cord defect.
- Iron: Needed for healthy blood and normal functioning of all cells.
- Magnesium: Magnesium is necessary for healthy bones and is involved with more than 300 enzymes in your body. Inadequate levels may result in muscle cramps and high blood pressure.
- Potassium: Diets rich in potassium may help to maintain a healthy blood pressure.
- Sodium: Needed for normal cell function throughout the body. Most diets contain too much sodium which is associated with high blood pressure.
- Vitamin A: Keeps eyes and skin healthy and helps protect against infections.
- Vitamin C: Helps heal cuts and wounds and keeps teeth and gums healthy.