

This Issue

States Continue to Toss Roadblocks

And other health care reform updates.

Workplace Wellness

Ways wellness programs are being impacted by ACA.

What and When You Eat

Advice on breakfast and eating gluten-free.

Skinny Plans Gain Strength

A loophole in the reform law has mini-med plans growing.

Keep Informed



TPAs vs. ASOs: The differences matter



Many fully-insured organizations, negatively impacted by PPACA and hearing more and more about the benefits of self-funding, are looking to their advisors for information on self-funding. Often, these companies are told that they can easily move to a partially self-funded plan with their same carrier and there's no need to involve a TPA. This is a disservice to the employer.

To self-fund, employer groups can outsource to a Third Party Administrator (TPA) or an Administrative Services Only (ASO) Division to help design, build and manage their health plans. While TPAs and ASO divisions may appear to offer the same services and value to employers, there are key differences, including...

1. Plan Customization: TPAs are all about providing alternatives and are not tied to any single carrier or program. They have spent many years building innovative

plans that address the specific needs and interests of different employer groups. Most ASO plan offerings are limited to those available through their parent carrier and can be restrictive when compared with TPA offerings.

2. Flexibility: Plan performance and member satisfaction are tied to the networks, providers and benefits offered. TPAs can build plans that incorporate those providers and networks that best support the geographic, cost and quality needs of the employer and members; while ASOs are primarily limited to those providers and networks contracted by their carriers.

3. Reimbursement Options: Today, how providers are paid really matters. Typically, ASO offerings offer provider reimbursement at network rates contracted by their parent organization (with discounts that may be based on an inflated pricing structure). TPAs can offer more innovative reimbursement structures based on a percentage of Usual, Reasonable & Customary (UCR) or Cost+, which uses a negotiated percentage above Medicare reimbursement.

4. Transparency: Many ASOs are not able to capture the significant plan and member data available to TPAs. Plan data is essential to identifying individuals that can benefit most from healthier life and nutrition choices, and being able to direct them to services and facilities that deliver the best outcomes.



What's New in Workplace Wellness?

As a result of health care reform, sponsors of wellness programs are now subject to the same privacy guidelines that used to apply only to insurers and providers. The problem is that many employers are not aware of how this will impact an existing program and what they will need to do to comply. Perhaps we can shed some light on this.

In order to comply with new requirements, a plan sponsor must be able to prove that a wellness program...

1. Is reasonably designed to promote health or prevent disease
2. Has a reasonable chance of improving the health of participating individuals
3. Is not overly burdensome or deceptively discriminatory based on any health factor
4. Is not highly suspect in the method chosen to promote health

While these restrictions are designed to encourage better outcomes, they are also intended to change the way employers look at issues like privacy and fairness.

This will challenge programs that have long provided rewards or premium subsidies for achieving certain wellness goals. One example might be a walk or run that may have to be supplemented with an alternative for those with a physical disability. Rewarding employees for losing weight without pressuring them to share sensitive information can be another concern. For help with compliance, talk to us or ask your wellness provider.

TPAs vs. ASOs (cont.)

5. Service: No two employer groups are alike. While ASOs offer standardized products and services, TPAs have a more personalized approach with a focus on client service and plan performance. In addition, potential conflicts of interest can occur if the ASO is more focused on meeting parent company objectives than the needs of the employer client.

While self-funding can be an effective and affordable solution for employer groups seeking health plan alternatives in our post-reform environment, it is important to know and understand all of the options available in order to determine where the greatest value exists.

Communication: The Most Important Part of Wellness



findings and you realize quickly that a need for more effective communication certainly exists. Here are a few things to consider...

Generational Issues – Not only do Millennials or Gen-Xers look at health and wellness differently than Baby Boomers, but they get their information in different ways as well.

How to Communicate – Should you use a printed newsletter or bulletin, or mobile media such as a text message? The best answer may be offering a variety of media platforms so that employees are able to access the information in the way they prefer.

As employees continue to see an increasing share of their compensation going to health care, there may be no better time to focus on wellness communication. For help with worksite wellness and effective wellness communication, talk to us today.

According to a recent study by J.D. Power & Associates, a big difference exists between how employers view the effectiveness of employee communications and what employees actually think about the wellness information they receive.

Along the same lines, a 2013 study by The Journal of Health Economics reveals that only 14% of employees understand and take action on basic benefit plan components including deductibles, co-pays, coinsurance and out-of-pocket maximums. Combine these

Trends Latest Happenings in Today's World

Eating Habits Improving

According to the U.S. Department of Agriculture, Americans are continuing to consume fewer calories per day than they did several years ago – a sign that years of warnings by health officials and increased media focus are finally beginning to have an impact. The Centers for Disease Control and Prevention caution that with the percentage of obese adults

rising from an estimated 15% in 1980 to 36% in 2010, we still have a very long way to go.

Wellness Programs Not Just Physical Anymore

According to a 2013 Employee Financial Wellness study conducted by PwC, employers looking to make a difference in their employee's lives may want to consider a financial well-

ness component. In the study, half of those surveyed worry about a lack of emergency savings and their ability to afford retirement. This comes as little surprise since there has long been a connection between financial well-being and physical health. Financial strategies being offered vary, but like traditional wellness programs, coaching by telephone is becoming more common.

Health Care Reform Update

Moving Toward Full Implementation

States Continue to Throw Roadblocks

While efforts of the Self Insurance Institute of America (SIIA) were successful in stopping legislation in Oregon, other states continue to challenge smaller employer groups that want to obtain stop loss insurance in order to self-fund. One example is Connecticut, where Senate Bill 479 is attempting to create the highest minimum individual attachment point in the nation. If successful, the minimum individual attachment point would be \$45,000; the small employer aggregate attachment point would be the greater of \$5,000 per enrollee or \$45,000; and the large employer aggregate attachment point would be 120% of expected claims.

If that doesn't propose sufficient challenges, another senate proposal is attempting to impose a direct assessment on self-insured health plans. The assessment, designed to improve health care delivery, is part of a proposal by the governor that is funded in part by one of 19 HHS State Innovation Grants. SIIA has testified that the fee is preempted by ERISA, and will continue to oppose this.

In New York, Governor Andrew Cuomo is trying to increase taxes on captive insurers and in Minnesota, legislators are trying once again to effect attachment points designed to make small group self-funding a thing of the past.

Employer Mandate Postponed Again

Under the original 2010 health law, employers with 50 full-time workers had to offer coverage or pay a penalty of \$2,000 per worker in 2014. Last July, the administration delayed that mandate to 2015 and now, the Treasury Department has delayed it to 2016. Larger employers are still able to avoid penalties in 2015 by showing that they have offered coverage to at least 70% of full-time employees. While many say the delays are designed to minimize political opposition as mid-term elections approach, the law's impact has certainly been reduced.

Individuals Can Keep Policies for 2 More Years

Another change announced by the administration allows individuals who kept health plans that did not comply with PPACA to renew their policies for two more years.

This extension affects a small portion of the marketplace, including those who bought individual health plans for themselves and their families rather than receiving coverage through a group plan or a government-sponsored program such as Medicaid or Medicare.

Skinny Plans Gain Strength



A loophole in the Affordable Care Act has made it possible for some employers to continue offering mini-med plans, and many employers are responding. The provision that has "skinny" plans gaining strength says that companies are free to keep offering plans that don't comply as long as they offer at least one plan that does comply.

One of the biggest reasons these plans are continuing to grow is that they fill a need in the marketplace – many people want a plan that will provide reimbursement for specific services while not costing a lot. These plans, which the administration intended to eliminate after 2014, were very common among retailers and restaurants. With enrollment in many of these plans remaining strong, some experts are looking for ways to modify these options to meet the individual requirement.

More Executives Track Fitness

In a recent meeting with a customer, I had to ask about the significance of the stealth-like black bracelet he was wearing on his wrist. "This isn't a bracelet, it's a digital fitness tracker," he said, as he began rattling off the types of data he receives – everything from steps per day or miles run each month to hours of sleep each night. FitBit, Jawbone



and Nike products currently dominate the market for digital fitness devices, with more than \$300 million in sales last year.

Small Businesses Fear Increases

Actuarial reports are predicting that nearly two-thirds of small businesses, those with 50 or fewer full-time employees, will experience increased health

plan costs as a result of the community rating provisions in fully insured plans. This news contradicts the claims made prior to the law's passage that few small businesses would see an increase and many would actually see premiums fall when the law is fully implemented.

Did You Know? New Ideas for Healthy Consumers

Breakfast Should Be Your Most Important Meal

Our mothers knew what they were doing when they put breakfast in front of us every morning. Eating breakfast can help control weight by reducing the urge to overeat as the day goes on. Skipping breakfast, on the other hand, can leave you sluggish, diminish your mood and leave you more vulnerable to heart disease over the long run.

While almost any breakfast is better than none at all, whole grains, fruits, low-fat dairy and lean protein are the most nutritious. Examples include:

Oatmeal – No artery-clogging saturated fat and high fiber content aid the immune system and earn high marks from the American Heart Association.

Bananas – Another way to fight heart disease, ease digestion and build strong bones, thanks to nutrients including fiber and potassium.

Greek Yogurt – Thick, creamy and delicious, Greek Yogurt is low in fat and packed with double the protein of regular yogurt. Add fruit and give yourself added nutrition.

If you need your breakfast on the go, take a few minutes at night and whip up a tasty and nutritious smoothie and refrigerate it in a covered container. Fruit, yogurt and fruit juices or blends are common ingredients, for all the healthful reasons described above.

What Causes 100,000 Auto Accidents Each Year?

Depriving yourself of 7 to 9 hours of sleep each night can result in drowsiness and difficulty concentrating, not to mention far more serious problems such as accidents, depression, diabetes, heart disease and obesity.

While many of us are asleep as soon as our head hits the pillow, emotional concerns and physical problems can make it difficult to sleep well. If this is something you suffer from, consider the following:

- *Maintain regular bedtime hours all week long*

- *If you love a hot beverage in the evening, consider decaffeinated herbal tea rather than tea or coffee with caffeine*
- *Instead of loud music or technology late at night, try something more peaceful and soothing such as meditation, prayer or reading a favorite book*

Believe it or not, a lack of sleep is the cause of 100,000 auto accidents per year. Do your best to get the sleep you really need and enjoy the many healthful benefits.

Is Gluten-Free Right for You?



Gluten-free products seem to be everywhere today, from grocery store shelves to menus in restaurants. This is great for those who suffer from a negative immune response to the protein gluten adds to wheat, barley and rye, but perhaps not so healthy for the 99% of Americans without celiac disease.

Without gluten to bind food together, food manufacturers often add saturated fats and sugar, which can have a negative impact on your health and weight. If losing weight is your main objective, start with a diet filled with fruits and vegetables, low-fat dairy, whole grains and lean protein and add 30 minutes of exercise several days a week. You'll be very pleased with the results.

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.



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