volume XXVII / issue 1 / Winter 2019

CPI LIGHTS

www.cyganiakplanning.com (262) 783.6161 voice (262) 783.5956 fax

Jon A. Cyganiak, CLU
President

Recent studies showed that there is an upward trend of people electing Medicare Advantage plans over traditional Medicare. This trend is further evidence that many of Americans want to have the right to choose their health benefits. They do not want a single-payer system administered by the government, or "Medicare-for-All" as is being proposed by some.

Medicare Advantage plans add choice into seniors' benefit options. It allows them to select the carrier and plan design that suits their needs and budget. They can select a plan that adds value where they see it such as dental and vision coverage. And the fact that many carriers offer their own diverse portfolio provides that much more selection when it comes time to make that critical decision.

Original Medicare, while it provides a critical and valuable benefit, is not suited for all people. It is a one-size-fits-all plan that has set coverage. The only way to increase coverage is to purchase supplemental coverage that literally "plugs the gaps" present in Medicare.

Just like the general health insurance market does, Medicare Advantage plans provide the opportunity for people to have choice. AHIP spokeswoman Kristine Grow said. "One of the reasons they like their coverage is it provides them with choice and control. Health care is personal – all Americans are unique individuals with different health care needs depending on their stage of life, where they live, their income and resources, and physical and mental health. People should be able to get the care they need, when they need it, at a cost they can afford."

Source: https://www.forbes.com/sites/brucejapsen/2019/02/03/as-democrats-talk-single-payer-private-medicare-advantage-soars/#702e7e5558f3

Thanks for continuing to read CPILights!

As always, if you would like to submit an idea or comment in writing you can reach me at: Jcyganiaksr@cyganiakplanning.com

Regards,

Jon A. Cyganiak, CLU
President

Source: https://insurancenewsnet.com/innarticle/aca-here-to-stay-with-democratic-house-win?utm_source=Newsletter

FEBRUARY is....
Heart Health Awareness Month

Did you know**...

- Every **34 seconds** someone in America will have a coronary event?
- Every year about **720,000** Americans will have a heart attack, 515,000 for the first time
- **64%** of women who die suddenly of coronary heart disease have no previous symptoms.

Make sure you protect yourself by having routine wellness exams. They are the best way to stay on top of your health and to make sure you are aware of existing medical conditions or underlying issues.

And to protect your finances from any unexpected health calamity do an annual insurance review to make sure your income and retirement are adequately protected.

*Source: **American Heart Association*

INSIDE:

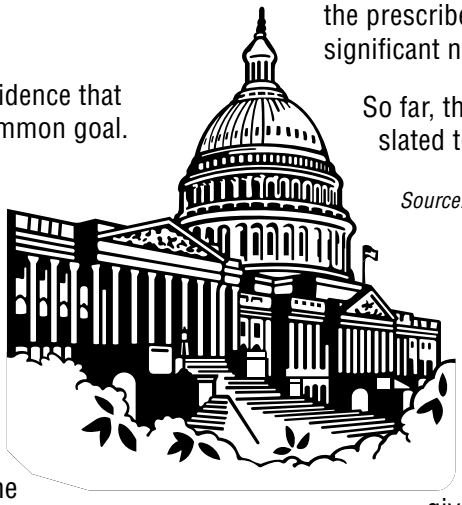
- managing editor: Laura Bagin

LEGISLATIVE UPDATES

FEDERAL

Cadillac Tax Repeal

Bipartisan legislation in the House is evidence that both parties can work together for a common goal. H.R. 748 is a bill aimed at repealing the ACA's Cadillac Tax that will impose a 40% excise tax on health plans that exceed certain cost thresholds starting in 2022.



There is industry wide concern that employers will significantly reduce benefits in group health plans so as to avoid paying the tax by eliminating coverages or by shifting the cost share more squarely onto the employees by way of higher copayments and coinsurance. These are trends we already see but the tax would most likely increase this more significantly.

Some factors that determine a plan's cost include family size, state benefit mandates, high-cost geography, age, health status and employer size. Any business whose combined costs exceed the prescribed threshold could be affected. It is predicted that a significant number of businesses could be subject to this.

So far, the Cadillac Tax has been delayed twice since it was slated to go into effect in January 2018.

Source: NAHU Washington Update, Jan. 25, 2019

****

"What's Covered" App

The Center for Medicare and Medicaid Services (CMS) has launched a new app "What's Covered" to let Medicare beneficiaries and caregivers see what services and items are covered by Medicare. The app is designed to give recipients information on how the government insurance covers various services at the time of a doctor or hospital visit. Hopefully, it will allow them to get the best value from their benefits as possible.

The app is part of the CMS eMedicare initiative rolled out in 2018 to provide cost and quality information to those who are enrolled in Original Medicare.

MEDICARE WILL IMPROVE IN 2019

Medicare, the government sponsored health insurance for seniors and those disabled, has had some significant overhauls lately. These changes will bring lasting value to the beneficiaries and help those in the program, or those looking to join, by adding clarity when trying to determine benefits.

1. The 'Donut' hole

An expensive element of the Medicare Part D prescription drug benefit requires enrollees with high prescription costs to pay more for their medicines after they reach a certain level of spending in one year. This creates a coverage gap – also called the "donut hole." After a beneficiary's out-of-pocket spending reaches a second threshold, they enter catastrophic coverage and pay substantially less. The spending bill Congress passed in March 2018 will close the donut hole for brand-name drugs in 2019. The gap will close for generic drugs in 2020.

2. Therapy cap gone

Beneficiaries of original Medicare won't have to pay the full cost of outpatient physical, speech or occupational therapy because Congress permanently repealed the cap that has historically limited coverage of those services.

3. Better information

Medicare is updating the handbook it sends to beneficiaries every fall. It will include checklists and flowcharts to make it easier to decide on coverage.

4. More telemedicine

Medicare is steadily broadening the availability of telehealth programs that let patients confer with a doctor or nurse via telephone or the internet. In 2019, it will begin covering telehealth services for people with end-stage renal disease or during treatment for a stroke.

5. Lifestyle support

In 2019, Medicare Advantage plans have the option to cover meals delivered to the home, transportation to the doctor's office and even safety features in the home such as bathroom grab bars and wheelchair ramps. To be covered, a medical provider will have to recommend benefits such as home-safety improvements and prepared meals.

6. In-home help

Medicare Advantage plans will have the option to pay for assistance from home health aides, who can help beneficiaries with their daily activities including dressing, eating and personal care. These benefits represent a revised and broader definition of the traditional requirement that Medicare services must be primarily health related.

7. Plan test drives

New regulations will let people try an Advantage plan for up to three months and, if they aren't satisfied, they can switch to another Medicare Advantage plan or choose to enroll in original Medicare. Congress required this flexibility in the 21st Century Cures Act, designed to accelerate innovation in health care.

Source: www.aarp.org

PARTIAL SELF-FUNDING
PUTTING EMPLOYERS IN THE DRIVERS SEAT

Steve Flewellen
Agent
CYGANIAK PLANNING INC

Most Americans receive health care coverage through their place of employment. Generally, employers choose between two styles of medical insurance for their employees. Small employers traditionally have chosen fully insured plans by purchasing coverage through an insurance carrier. This could include both Copay style plans and HSA style plans. Fully insuring forces an employer to be bound to annual premium increases that the insurance carrier largely dictates.

Another proven option is an employer chooses a partial self-funded plan. This method allows for the health of the group to be taken into consideration and the risk of the group determines the pricing structure. The plan looks, feels and operates to the member just like the fully-insured plan does, and is bought from a carrier just as the fully-insured plan is. Behind the scenes, a part of the premium is funneled into a claims fund to buffer the insurance company's risk from the members own risk. Ultimately we have learned this allows an employer to have more control over their own destiny.

In 2014 the Patient Protection and Affordable Care Act imposed new requirements and taxes on fully-insured medical plans. Some of these regulations and costs are avoided when an employer chooses the partial self-funded method. Partial self-funded plans have lower premiums than a fully-insured plan for this reason. With partial self-funding an employer has access to how much claims spending there is so they can make informed decision and better understand the overall health of the group on a year-to-year basis. If there is little spending and the claims fund has left over cash then the employer has a right to some of that back after a short run out period.

Partial self-funding is not for every group. If large claims are afoot then it is not the solution, a fully insured plan may be the smarter option if that is the situation. Years ago we all went through underwriting and a price was determined, and that was taken away due to the ACA. We have searched for ways to temper those costs as prices have increased. If a group is healthy and made up of people who don't use insurance excessively Partial Self-Funding is a Home Run!

IN THE SPOTLIGHT
A WHO'S WHO IN SUCCESSFUL BUSINESS

Cyganiak Planning, Inc. would like to recognize the physical growth, as well as the accomplishments of our clients. If you are expanding your human resources or your facility, please let us know. If you are participating in some community outreach or volunteer effort, or have recently been recognized with an award please contact your agent (262-783-6161) and we will share your achievements with our readers

Congratulations to **Dominican Center for Women** along with the Hunger Task Force for being named as Biz Times 2018 Nonprofit Excellence Awards winner of the **Nonprofit Collaboration of the Year Award**.

Dominican Center for Women Inc. partnered with Hunger Task Force Inc. and the Milwaukee Nutrition and Lead Task Force to launch Well Fed Means Less Lead, a campaign to raise awareness in the Amani neighborhood about the dangers of elevated levels of lead in homes and about lead mitigation methods including proper nutrition.

Custom Equipment, LLC of Richfield, WI is pleased to announce Terry Dolan will be taking over as president and CEO. Dolan's 30 years of experience in the rental, construction and equipment industries are a great fit for the company and will be instrumental as he leads the overall direction and strategy of the organization.

ELECTRONIC DOCUMENT DELIVERY
MAKING SURE TO COMPLY WITH ERISA

Employers have so many documents they are required to distribute to their employees these days. It is no wonder many want to disseminate their benefit information electronically instead of being swamped in a sea of paper. But if this important material isn't sent in the proper manner as set forth under ERISA the Department of Labor (DOL) could levy some pretty hefty fines.

Here are some helpful tips to keep in mind in order to make sure you are in compliance with the Safe Harbor rules for document distribution.

1. Distribute information to plan participants who have **access to the company computer system**. This includes those who regularly access a computer as part of their job or those with a computer in the same workspace. It does NOT include shared computer kiosks. If employees don't meet the above criteria electronic forms may still be sent if:

- The participant provides an email address where documents can be sent.
- The participant completes a **consent form** electronically agreeing to receive digital forms.

2. Notify plan participants **before** electronic documents are available.

3. Notify plan participants **when** documents are posted online.

4. **Explain** why the information is important to plan participants.

5. **Ensure** that information was received by plan participant with a read receipt notification or other means.

6. **Inform** plan participants of their right to receive a paper version of documents upon request.

Making sure to follow these simple guidelines will help keep your employees informed of important insurance details and go a long way to keeping your business compliant with ERISA.

Source: www.ebcflex.com/ComplianceBuzz

HR Q & A

Aaron Bielawski
Agent
CYGANIAK PLANNING INC

The Cyganiak Planning Q & A Corner takes questions that our agents and sales/service associates were asked and provides detailed guidance from our HR advocacy firm to help you understand and resolve similar scenarios at your workplace, should they ever arise.

Question: Our client has an employee who terminated employment on January 15th and was rehired on February 15th. The carrier is saying because they were rehired within 31 days, the new hire waiting period needs to be waived and the employee is eligible for insurance immediately. Is that a federal rule? This client is an ALE (50+ employees).

Answer: The Affordable Care Act does have break in service rules which apply to ALEs and those rules indicate that for someone deemed to be a continuing employee an employer will be considered to be in compliance with the rehire rules if the employee is, *"...offered coverage as of the first day that employee is credited with an hour of service, or, if later, as soon as administratively practicable."*

The regulations go on to say that, *"...offering coverage by no later than the first day of the calendar month following resumption of services is deemed to be as soon as administratively practicable."*

On that basis, most plans offer coverage beginning the first of the month following rehire but if it is administratively practicable to do so sooner, it's entirely possible the carrier may be requiring the employer to do that.

- Final Regulations - Coverage Start Date for Continuing Employees: https://www.federalregister.gov/d/2014-03082/p-527

After conducting additional research, we were unable to find a Wisconsin specific requirement relating to this in the health insurance code but recommend asking the carrier to confirm that.

Note: In most cases, an individual will be deemed a continuing employee under the ACA break in service rules if the employment break period was less than 13 weeks (26 weeks for educational organizations).

Disclaimer: Guidance provided above is opinion gathered from Cyganiak Planning Inc.'s Human Resources Advocacy Firm based on their research of specified topics and cannot be considered as legal opinion or legal fact. Please consult with your legal counsel for any specific and final guidance in any situation pertaining to your own company.

SOME CHANGES ARE COMING FOR 401(K)S
TAKE NOTE OF THEM FOR 2019.

Jon I. Cyganiak
Agent/Vice President
CYGANIAK PLANNING INC

Some notable developments are about to impact 401(k) plans. They follow a major change that became effective in 2018. Thanks to the Tax Cuts & Jobs Act, workers who borrow from 401(k) accounts and leave their jobs now have until October of the following year to repay plan loans.[1]

The Internal Revenue Service has eased the rules on 401(k) hardship distributions. Plan participants who arranged such withdrawals in 2018 (and years prior) paid an opportunity cost. The Internal Revenue Code barred these employees from making periodic contributions to their 401(k) accounts for six months after the withdrawal, and it also prevented them from exercising any stock options for that length of time.[2]

In 2019, some flexibility enters the picture. The Bipartisan Budget Act of 2018 (passed in February) allows plan sponsors to remove both of those restrictions in 2019, if they wish.[2]

Some fine print worth noting: the BBA also permits plan sponsors to give employees more sources for hardship withdrawals. In 2019, plan participants may take hardship distributions from their 401(k) account earnings, qualified non-elective employer contributions (QNECs), and qualified matching contributions (QMACs) in addition to elective deferral contributions, discretionary employer profit-sharing contributions, regular matching contributions, and earnings on contributions made before December 31, 1988.[2]

In 2018 and years prior, a plan participant could only take a hardship distribution after taking a loan from his or her 401(k) account. Next year, plan sponsors can waive this requirement, if they choose, and let their employees take hardship withdrawals from 401(k)s without a loan first.[2]

In addition, plan sponsors may let victims of California wildfires make special hardship withdrawals. An individual who suffered economic losses due to the massive fires in the Golden State (and whose principal residence is in a California wildfire disaster area) may take qualified wildfire distributions of up to $100,000 from a 401(k) through December 31, 2018. The money withdrawn is fully taxable, but the withdrawal is not subject to a 10% early withdrawal penalty. The amount withdrawn can also be recontributed to the plan within three years of the distribution. This type of hardship withdrawal may be permitted immediately; the plan sponsor has until the last day of the first plan year, beginning on or after January 1, 2019, to revise the plan documents to denote the new terms.[2]

What do these rule changes mean for companies sponsoring 401(k) plans? The message is clear. Review your plan documents and hardship withdrawal guidelines before 2019 begins, and decide whether you want to include these provisions.

Lastly, annual contribution limits for 401(k) accounts are rising. An employee can put up to $19,000 into a 401(k) in 2019, up from $18,500 in 2018. The annual limit on "catch-up" contributions, allowed for plan participants aged 50 or older, remains at $6,000.[3]

For more specific information contact Jon I Cyganiak, at 262-783-6161, jicyganiakplanning.com. www.cyganiakplanning.com Securities offered through H. Beck Inc. Member FINRA/SIPC.

Citations.

1 - forbes.com/sites/ashleaebeling/2018/01/16/new-tax-law-liberalizes-401k-loan-repayment-rules/ [1/16/18]
2 - pillsburylaw.com/en/news-and-insights/recent-and-upcoming-changes-to-401k-plans.html [3/8/18]
3 - nytimes.com/2018/11/09/your-money/401k-contribution-limits-raised-irs.html [11/9/18]

5 WAYS TO BUILD RESILIENCY

Change is a part of life. No matter what phase of life you are in everyone experiences change. How we handle change varies from person to person and even can be different for the same person depending on the situation. Change can be good, like buying a new home or starting a new job, or it can be more difficult like the loss of a loved one. And change can also bring on stress, feelings of helplessness or anxiety, regardless if it is a positive change or not.

Here are a few ways to help sort out these feelings and help you cope better with the situation at hand.

1. Write things down. This can help make things clearer and be cathartic at the same time.

- Jot down thoughts
- Create a list of goals
- Develop a plan of action or solution
- List specific steps to act on

2. Take a step forward. Pick a simple task and do it. Once it is complete move on to another.

3. Picture the positive. Don't dwell on the negative possibilities. Instead focus on the positive outcome you desire and how you can achieve it.

4. Reach out to others. Friends and family can offer perspective and moral support when you are feeling out of sorts. They may also have practical advice to share from personal experience.

5. Be kind to yourself. Treat your body well. Eat right and get good sleep. This will help you be mentally prepared to deal with stress and challenges as they develop.

Source: United Healthcare: Healthy Mind Healthy Body, June 2015

WEB SITES

Here are some apps you can add to any Apple or Android device to find out more regarding your health insurance and health related matters.

98point6 App: This app, available in all 50 states through the Apple Store and Google Play, uses AI technology to gather details about the patient's symptoms.

A board-certified doctor will then review this information. He or she can assess any symptoms, diagnose health issues and answer questions via in-app messaging (which also has photo and video capabilities that can be used if necessary).

After the interaction, the patient's care plan is available in the 98point6 app. Any prescriptions can be sent to a local pharmacy.

Any individual 18 or older (with or without health insurance) can download the 98point6 app. A personal plan is available for an introductory rate of $20 per year. The company also offers employer-sponsored plans.

What's Covered App: This app, released by CMS, is part of their eMedicare initiative and available through the Apple Store and Google Play. It provides an overview of covered Medicare services and supplies and is designed to help Medicare beneficiaries get the most out of their Medicare coverage.