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Jon A. Cyganiak, CLU
President

2021 feels like it started out the way 2020 ended. We are still dealing with the pandemic. There is still obvious political discord. And people are still struggling with finding their new normal amongst masks, Zoom Meetings and virtual life.

New changes in the insurance world will likely be felt, down the road, as the government implements President Biden’s recent Executive Orders. He is revoking President Trump’s orders involving ACA. Biden is asking agencies to review rulemaking that happened including the rule on short-term health plans, association health plans (AHPs) and health reimbursement accounts (HRAs). Once their reviews are completed we will see how these health plans, that are marketed and currently in place, will be affected.

President Biden has also implemented a regulatory freeze on all former President Trump’s rules not yet in place. This will affect the drug rebating rule, EEOC wellness program proposed rules, and mandated regulatory reviews and efforts to streamline interoperability and prior authorization.

Changes of ACA reversal. Changes to health practices. Changes to the way we live our lives. 2021 will be a year of change. We are here to help you navigate your benefits world changes, and anything else you may need us for.

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 Jcyganiak@cyganiakplanning.com

Regards,

Jon A. Cyganiak, CLU
President



FEBRUARY is...

Heart Health Awareness Month

Did you know...

- Heart attacks are more likely to occur on Monday mornings more than any other day of the week
- **18.6 million** people died of cardiovascular disease globally in 2019
- Every **34 seconds** someone in America will have a coronary event
- Drinking more than 1 diet soda daily increases your chances of heart attack **43%** compared to drinking regular soda or none at all
- Heart disease is the No. 1 cause of death in the U.S. according to 2018 data.

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 THIS ISSUE – IMPORTANT
MARKETPLACE ENROLLMENT UPDATES**

Managing Editor: Laura Bagin

ACA EMPLOYER COVERAGE REPORTING UPDATES



Jon I. Cyganiak
Agent/Vice President
CYGANIAK PLANNING INC

The Affordable Care Act (ACA) added two major employer coverage reporting provisions to the Internal Revenue Code (IRC): IRC Section 6055 and IRC Section 6056:

IRC Section 6055 requires a health insurer to provide coverage statements that the insureds can use to show the IRS that they've met the individual shared responsibility requirements. Insurers meet the Section 6055 coverage reporting requirements with IRS Form 1095-B.

IRC Section 6056 requires an ALE (Applicable Large Employer) to provide coverage statements that show whether it's met the ACA employer shared responsibility standards. Employers meet the Section 6056 coverage reporting requirements with IRS Form 1095-C.

Self-insured employers usually meet the Section 6055 requirements along with the Section 6056 requirements by sending out 1095-C forms.

A self-insured employer of less than 50 FTE's (Full Time Equivalents) that sends out 1095-B forms to the insureds is

supposed to send copies of those forms, along with a 1094-B cover sheet form, to the IRS.

Similarly, an ALE that sends out 1095-C forms is supposed to send copies of those forms, along with a 1094-C cover sheet form, to the IRS.

For 2020 reporting, deadlines are:

When To File

Generally, the return and transmittal form must be filed with the IRS on or before February 28 if filing on paper (March 31 if filing electronically) of the year following the calendar year of coverage.

You will meet the requirement to file if the form is properly addressed and mailed on or before the due date. If the regular due date falls on a Saturday, Sunday, or legal holiday, file by the next business day. A business day is any day that isn't a Saturday, Sunday, or legal holiday.

For forms filed in 2021 reporting coverage provided in calendar year 2020, Forms 1094-B and 1095-B are required to be filed by March 1, 2021, or March 31, 2021, if filing electronically.

Source: [IRS.gov](https://www.irs.gov)

★ ★ ★ ★ ★ LEGISLATIVE UPDATES ★ ★ ★ ★ ★

FEDERAL

Congress passed a comprehensive legislative package at the end of 2020 that included key provisions of the Beneficiary Enrollment Notification and Eligibility Simplification (BENES) Act. Included in the package were important and long-awaited changes to Medicare.

- The bill eliminates the up to seven-month long wait for coverage that people can experience when they sign up for Medicare during the General Enrollment Period (GEP) or in the later months of their Initial Enrollment Period (IEP). Beginning in 2023, Medicare coverage will begin the month after enrollment.
- It reduces barriers to care by expanding Medicare's authority to grant a Special Enrollment Period (SEP) for "exceptional circumstances." A long-standing flexibility within Medicare Advantage and Part D, in 2023 this critical tool will be available to facilitate enrollments program-wide, enhancing beneficiary access and administrative consistency.
- To further maximize coverage continuity and ease transitions to Medicare, the bill directs HHS to identify ways to align Medicare's annual enrollment periods. HHS is to present these findings in a report to Congress by January 1, 2023.



Part of the Stimulus Bill Relief Package passed at the end of December included legislation affecting Flexible Savings Accounts (FSAs). It provides further flexibility for taxpayers to roll over unused amounts in their health and dependent-care FSAs from 2020 to 2021 and from 2021 to 2022. This provision also permits employers to allow employees to make a one-time 2021 mid-year prospective change in contribution amounts.

NEW MARKETPLACE ENROLLMENT FOR INDIVIDUALS



Eric Pierson
Sales Associate
CYGANIAK PLANNING INC

On January 28th President Biden signed an Executive Order allowing a Special Enrollment Period (SEP) for marketplace coverage. The extra SEP is scheduled to start February 15, 2021 and run for 90 days through May 15, 2021. This provision is for uninsured and underinsured Americans seeking coverage through the Federally Facilitated Marketplace.

Marketplaces will operationalize functionality to make this SEP available to all Marketplace-eligible consumers who are submitting a new application or updating an existing application. State-based Marketplaces (SBMs) operating their own platform have the opportunity to take similar action within their states.

According to the White House: "The coronavirus disease 2019 (COVID-19) pandemic has triggered a historic public health and economic crisis. In January of 2020, as the COVID-19 pandemic was spreading, the Secretary of Health and Human Services declared a public health emergency. In March of 2020, the President declared a national emergency. Although almost a year has passed, the emergency continues. Over 30 million Americans remain uninsured, preventing many from obtaining necessary health services and treatment. In light of the exceptional circumstances caused by the ongoing COVID-19 pandemic, the Secretary of Health and Human Services shall consider establishing a Special Enrollment Period for uninsured and under-insured Americans to seek coverage through the Federally Facilitated Marketplace."

LTC DOOR 1, 2, OR 3....

No one wants to think about the possibility of spending our golden years in a long term care facility. However, it is an undeniable fact that some of us will need this care in our future.

Long term care can become expensive and most of us don't have ready funds for an unexpected need. Here are three basic insurance policies that provide this financial protection.

Stand-alone LTC Insurance policies – These are the traditional, and original, version of long term care coverage. They have a recurring premium, usually monthly or quarterly, that provide a fixed benefit. They are simple, straight forward and are good for individuals with a stable cash flow. However, they only pay out in the event someone needs long term care of some type.

Recurring Fixed Premium LTC weighted Life Insurance policies – These hybrid policies combine both life insurance and long term care coverage in one plan. They provide LTC benefits, cash surrender benefit and a death benefit for a fixed recurring premium. It is an excellent option for those who want a diverse policy and know that it will be used in one way or the other.

Single Premium LTC Weighted Life Insurance policies – Another hybrid policy, the single premium plan requires a lump sum premium that fully pays up the policy. This is a good option for people who don't want to be bothered with ongoing payments and who have the liquidity for the one-time single premium.

Source: <https://files.constantcontact.com/6c092964801/ddec65ce-f0f7-4615-b95c-14fc152cac4d.pdf>

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.

Siblings **Anne Cookson and Chris Miller**, the third generation to run family-owned **Baker's Quality Pizza Crust**, have put their twist on the family business. A move to a larger production facility allowed the business to expand their market beyond the Midwest to a national buying group with distributors in all 50 states and Puerto Rico.

In addition to their expansion, the brother and sister team have created **Crustology Hand-Crafted Pizza Crust**, a company catering to home use. Customers can get the specialty thin crusts in a variety of styles shipped direct to their homes. www.crustology.com

CAN EMPLOYERS REQUIRE COVID VACCINES?



Steve Flewelen
Agent
CYGANIAK PLANNING INC

You may be able to mandate that your employees receive the COVID-19 vaccine, but there are a number of factors to consider prior to implementation and enforcement.

On the federal level, guidance from the Equal Employment Opportunity Commission (EEOC) indicates that generally employers can require employees to get the COVID-19 vaccine as a condition of continued employment. However, employers need to consider the following:

1. Making exceptions for employees who can't get vaccinated because of a disability or religious belief.
2. Whether a collective bargaining agreement is in effect (this may or may not affect your options - speak with your attorney)
3. Whether your state has passed a law that essentially prohibits mandatory vaccines in the employment context.
 - Note, according to the [National Law Review](#), "Earlier this month, Wisconsin's Health Services Secretary Andrea Palm said the Evers administration does not plan to mandate COVID-19 vaccinations of students or workers in Wisconsin." Interestingly, she is also being looked at as

possibly part of the task force on the federal level under the Biden administration so it may be worth watching her approach on the state and federal level.

Mandating vaccines may also increase challenges in other areas. For example, if an employee had an adverse physical reaction to a mandatory vaccine, they might have a workers' compensation claim. Also, Section 7 of the National Labor Relations Act would provide protections to employees if two or more (not including supervisors) complain about or oppose a workplace vaccination policy. To be clear, Section 7 does not mean they can get out of a mandatory vaccine, but it means they can complain about it loudly--including on the internet--if so inclined.

On the other hand, a potential downside of not requiring vaccination is decreased employee morale if you require employees who have been working remotely to return to the worksite and they don't feel it's safe.

One option that may strike a better balance, depending on your circumstances, is to encourage rather than require vaccines.

Reference: [ThinkHR COVID Resource Center](https://www.thinkhr.com)
www.thinkhr.com



NATION'S HEALTH REPORT CARD

United Health Foundation has been creating the America's Health Rankings Annual Report for the past 31 years. This report has created increased awareness and action to address important trends in public health.

The 2020 report has revealed some encouraging and disheartening statistics regarding habits and health of the American populous as a whole. The results include pre-pandemic data. Key findings are as follows:

MULTIPLE CHRONIC CONDITIONS – The percentage of American adults with multiple chronic conditions, those with three or more, has declined from 10.3% in 2018 to 9.5% in 2019. This reduction was driven in large part from a reduction of people with cardiovascular disease.

OBESITY – Obesity increased 15% nationally from 27.8% to 31.9% of adults between 2011 and 2019, affecting nearly 70.4 million adults. This is a new high for a measure that has long been a challenge for Americans. Obesity has increased among all subpopulation groups during this same period, including gender, age, education, income, race and ethnicity.

FLU VACCINATION – The number of American adults who received the recommended flu vaccination increased 25% nationally from 35.0% to 43.7% during 2018 and 2019. Although vaccination rates remained far below the 70% targets for Healthy People 2030

recommended by the U.S. Department of Health and Human Services, these figures demonstrate progress among Americans receiving vaccinations that can prevent infectious diseases.

MENTAL HEALTH – The prevalence of adults who reported their mental health was not good for 14 or more days in the past 30 days increased 11% nationally, from 12.4% to 13.8% during 2018 and 2019. This is an increase of nearly 1.3 million adults experiencing frequent mental health distress. The suicide rate has also increased 23% nationally between 2009 and 2018. However, the nationwide growth in the supply of mental health providers is encouraging, with a 9% increase between 2019 and 2020.

The America's Health Ranking Annual Report was developed in partnership with the American Public Health Association. "The *America's Health Rankings 2020 Annual Report* paints a picture of the nation's ongoing public health successes and challenges as well as a deeper understanding of the nation's health at the outset of the global COVID-19 pandemic," said Georges C. Benjamin, MD, executive director of the American Public Health Association. "We hope this report inspires proactive solutions about effective ways to improve the health of everyone within our communities as we navigate the evolving pandemic and head into the next decade."

Source: <https://www.unitedhealthgroup.com/newsroom/posts/2020-12-8-uhf-ahr-2020-annual-report-490042.html>

THE Q & A CORNER



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 to help you understand and resolve similar scenarios at your workplace, should they ever arise.

QUESTION: I have a client that terminated an employee in July. A COBRA notice was sent per their records; however, it was not sent certified. Could this be an issue for the employer given they do not have an official record proving the letter was sent?

ANSWER: COBRA regulations require that election notices be furnished using “measures reasonably calculated to ensure actual receipt of the material”. However, the plan administrator does not have to show that the notice was received by the qualified beneficiary.

The regulations provide several examples of acceptable distribution methods (first-class mail, second- or third-class mail, hand-delivery, and electronic distribution).

Keep in mind that as a result of the COVID-19 pandemic the 60-day period for a qualified beneficiary to elect COBRA has been frozen until 60 days after the “Outbreak Period”. The declared COVID-19 National Emergency began March 1, 2020. From that date until 60 days after the end of the national emergency, which is undetermined at this time, is deemed the “Outbreak Period.”

More information can be found on our blog: [DOL EXTENDS COBRA TIME FRAMES AND OTHER BENEFIT PLAN DEADLINES](#)

Resource: DOL Reg. §2520.104b-1 <https://www.law.cornell.edu/cfr/text/29/2520.104b-1>

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.

MEDICARE 2021 CHANGES

Annually Medicare reviews the premiums, surcharges and copayments it assesses beneficiaries. As is the usual case, the 2021 numbers are up from last year’s charges.

In 2021 the annual Part B deductible will again see a slight increase to \$203 while the Part A Inpatient Hospital deductible increases almost \$80 to \$1484. The daily copays for inpatient stays beyond the 60th day, skilled nursing home stays, and lifetime reserve days also increase slightly.

Those with higher incomes have varying surcharges to their Part B and Part D premiums. The 2021 income thresholds will increase again by \$2000 in the bottom 5 brackets. Incomes are based on 2019 tax returns.

Part B premiums, including IRMMA surcharges are slightly higher than last year’s rates.

- \$148.50/month: less than or equal to \$88,000 (single)/ less than or equal to \$176,000 (married)
- \$207.90/month: \$88,001-\$111,000 (single)/ \$176,001-\$222,000 (married)
- \$297.00/month: \$111,001-\$138,000 (single)/ \$222,001-\$276,000 (married)
- \$386.10/month: \$138,001-\$165,000 (single)/ \$276,001-\$330,000 (married)
- \$475.20/month: \$165,001-\$500,000 (single)/ \$330,001-\$750,000 (married)
- \$504.90/month: more than \$500,000 (single)/ more than \$750,000 (married)

Part D fees are also slightly higher in 2021 compared to 2020.

- Plan premium: less than or equal to \$88,000 (single)/ less than or equal to \$176,000 (married)
- \$12.30 + plan premium: \$88,001-\$111,000 (single)/\$176,001-\$222,000 (married)
- \$31.80 + plan premium: \$111,001-\$138,000 (single)/\$222,001-\$276,000 (married)
- \$51.20 + plan premium: \$138,001-\$165,000 (single)/\$276,001-\$330,000 (married)
- \$70.70 + plan premium: \$165,001-\$500,000 (single)/\$330,001-\$750,000 (married)
- \$77.10 + plan premium: more than \$500,000 (single)/ more than \$750,000 (married)

