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cpi lights

Vol. XXXII • Issue 3 • Summer 2024 • 262.783.6161 voice • 262.783.5956 fax www.cyganiakplanning.com

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Every year when agents meet with clients at renewal time the conversation inevitably turns to answering the question: "How can we reduce our costs but still offer meaningful coverage?"

Pharmacy benefits are a driver in increasing premiums. In 2022 prescription charges were 24% of employers' total costs. Utilizing generic medications, having conversations with medical professionals about non-pharmacy treatment alternatives and making sure to follow prescription directions are all ways to help mitigate prescription costs, when possible.

It is important for employees to understand their plans and know how to access the appropriate healthcare. As agents we are here to help them navigate the insurance benefits and do our best to help them access medical resources as recommended by their medical team.

Strategic benefit planning is imperative. Make sure you are offering the correct mix of benefits and that they are plans your employees will utilize. Take periodic surveys to find out what is important to your employees and then, with the help of your advisors, craft a plan that helps everyone.

Healthcare and insurance premiums are undeniably expensive. And it doesn't look like they will cost less as we move forward. But with the right tools and thought process you can bring meaningful value to your employees at a reasonable price.

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

Jon A. Cyganiak, CLU
President

HEALTHCARE BY STATE

The cost of healthcare is talked about a lot in the media and the workplace. However, it is also important for medical personnel to provide quality consistent care with positive outcomes. According to Center for Medicare and Medicaid the average American spends $13,500 per year on personal healthcare.

The federal government dictates basic parameters for health insurance coverage options, but each state regulates how and what is sold within their borders. There are also urban versus rural constraints to access and availability of providers.

WalletHub evaluated a variety of metrics related to cost, accessibility and outcomes to rank all 50 states and the District of Columbia. The Midwest was well represented in the top third with Wisconsin coming in at an overall rank of 16th.

Rank	State	Total Score	Cost	Access	Outcomes
1	Minnesota	67.38	2	6	11
2	Rhode Island	67.00	17	1	6
3	So. Dakota	65.47	5	2	19
4	Iowa	65.09	1	30	12
5	New Hampshire	64.08	15	14	8
16	Wisconsin	61.04	37	5	13

Source: https://wallethub.com/edu/states-with-best-health-care/23457

Managing Editor: Laura Bagin

ACA: DEFINING AN APPLICABLE LARGE EMPLOYER (ALE)

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Two provisions of the Affordable Care Act apply only to applicable large employers (ALEs):

- The employer shared responsibility provisions(§ 4980H); and
- The employer information reporting provisions for offers of minimum essential coverage (IRC 6055/IRC6056)

*Whether an employer is an ALE is determined each calendar year, and generally depends on the average size of an employer's workforce during the **prior** calendar year.*

If an employer has fewer than 50 full-time employees, including full-time equivalent employees, on average during the prior year, the employer is not an ALE for the current calendar year. Therefore, the employer is NOT subject to the employer shared responsibility provisions or the employer information reporting provisions for the current year.

If an employer has at least 50 full-time employees, including full-time equivalent employees, on average during the prior year, the employer is an ALE for the current calendar year, and is therefore subject to the employer shared responsibility provisions and the employer information reporting provisions.

To determine its workforce size for a year an employer adds its total number of full-time employees for each month of the prior calendar year to the total number of full-time equivalent employees (see definition below) for each calendar month of the prior calendar year and divides that total number by 12.

The Surface Transportation and Veterans Health Care Choice Improvement Act of 2015 provides that an employee will not be counted toward the 50-employee threshold for a month in which the employee has medical care through the military, including Tricare or Veterans' coverage. This is solely for the purpose of determining whether an employer is an "applicable large employer" subject to the employer shared responsibility rules of § 4980H.

Full-time Employees and Full-Time Equivalent Employees
A full-time employee for any calendar month is an employee who has on average at least 30 hours of service per week during the calendar month, or at least 130 hours of service during the calendar month.

A full-time equivalent employee is a combination of employees, each of whom individually is not a full-time employee, but who, in combination, are equivalent to a full-time employee. An employer determines its number of full-time-equivalent employees for a month in the two steps that follow:

- Combine the number of hours of service of all part-time employees for the month but do not include more than 120 hours of service per employee, and
- Divide the total by 120.

An employer's number of full-time equivalent employees (or part-time employees) is only relevant to determining whether an employer is an ALE. An ALE need not offer minimum essential coverage to its part-time employees to avoid an employer shared responsibility payment. *A part-time employee's receipt of the premium tax credit for purchasing coverage through the Marketplace cannot trigger an employer shared responsibility payment.*

Employer Aggregation Rules
Companies with a common owner or that are otherwise related under certain rules of Section 414 of the Internal Revenue Code are generally combined and treated as a single employer for determining ALE status. If the combined number of full-time employees and full-time equivalent employees for the group is large enough to meet the definition of an ALE, then each employer in the group (called an ALE member) is part of an ALE and is subject to the employer shared responsibility provisions, even if separately the employer would not be an ALE.

There is an important distinction for employers to keep in mind regarding these aggregation rules. Although employers with a common owner or that are otherwise related generally are combined and treated as a single employer for determining whether an employer is an ALE, potential liability under the employer shared responsibility provisions is determined separately for each ALE member.

Also, a special standard applies to government entity employers in the application of the aggregation rules under Section 414. Because it relates to common ownership, and ownership isn't a typical arrangement for government entities, and because specific rules under Section 414 of the Code for government entities haven't yet been developed, government entities may apply a good faith reasonable interpretation of Section 414 to determine if they should be aggregated with any other government entities.

Source: HRWS

HSA-Like Options for Employees in High Demand, Survey Shows

Both employers and employees are interested in a new type of health account like a health savings account (HSA) that would help employees pay for out-of-pocket health care costs.

The Employee Benefit Research Institute (EBRI) and Greenwald Research surveyed workers about their interest in such a tool and found strong enthusiasm, with 55% of respondents indicating they were either very or extremely interested.

EBRI described the potential HSA-like plan as one that would be funded with post-tax contributions and could be paired with any health plan, not just high-deductible plans. Like HSAs these plans could be funded by both employees and employers, invested in the stock market and follow the worker from job to job.

In the two decades since they were introduced, HSAs have become a cornerstone of the health benefits landscape, with more than one-quarter of private sector workers with individual coverage enrolled in an HSA-eligible health plan to which their employee contributed. However, many workers are in plans with deductibles that are not high enough to qualify for pairing with an HSA and therefore can't take advantage of their benefits, said EBRI.

Employers also showed interest in this new type of health plan, with nearly 83% expressing some interest in offering them if they were able to. The size of the company played some role in interest, EBRI said. At least 82% of benefits decision makers responded that they were either very or extremely interested in offering these hypothetical health accounts, regardless of employer size.

Source: Benefits Pro

LEGISLATIVE UPDATES

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FEDERAL

A Senate Special Committee on Aging is currently discussing Health Care Transparency to lower costs and empower patients. At a recent hearing members and witnesses discussed hospital costs, prescription drugs, insurance premiums, claims data, Medicare Advantage plans, consumer education and several other cost related data. In addition, some members are concerned about the lack of claims data that self-funded employers can analyze.

Senate Bill 3548, The Health Care PRICE Transparency Act 2.0 would set a higher transparency standard for third party administrators (TPAs) and responsibility for providing health insurance purchasers with information to make informed decisions.

Source: NABIP

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Congress is looking to extend a pandemic-era program that allows "hospital at home" type care. During the COVID crisis the Centers for Medicare and Medicaid Services (CMS) launched the Acute Hospital Care at Home program due to the shortage of hospital beds. The program was to expire at the end of the public health emergency in May 2023, but Congress extended it through the end of 2024.

Proponents of the program feel it will provide savings in health care costs with similar, or improved health outcomes. They say the 5-year extension would provide more time to evaluate the outcomes, cost savings and efficiencies.

The Medicare Payment Advisory Commission, which advises Congress on Medicare policy, has its concerns. MePAC believes it is difficult to compare hospital versus home outcomes based on the Hospital at Home program's current structure. The Commission feels more data is needed to properly critique the plan, including evaluating the reimbursement rates.

CMS is expected to review both protocols and compare traditional inpatient care versus the program performance, based on similar demographics.

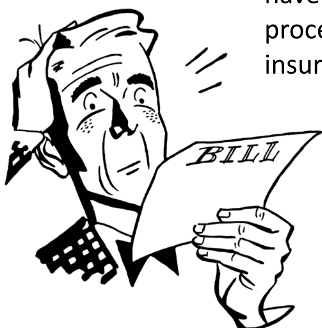
Source: https://rollcall.com/2024/06/21/hospital-at-home-gains-bipartisan-support-but-questions-remain/

SURPRISE MEDICAL BILLS | How to Deal With Them

When you or a family member suffer a health crisis it can be expensive and create a number of medical bills that can be overwhelming. Add to that the potential for billing errors for procedures that should be covered or perhaps weren't even done. It is no wonder many Americans are frustrated and with the healthcare system.

A survey from the Commonwealth Fund in New York City tells a common story. About 45% of respondents said they were erroneously billed but fewer than half of them went back to their health insurance company or medical provider for any kind of clarification or payment on the unexpected charges.

Many Americans are confused by their insurance coverage, not knowing what exactly is and is not covered or not realizing they have the right to question how a claim is processed. If they try to challenge their insurance company, they are often met with a myriad of calls to customer service and perhaps confusing rules on when and how they can challenge the claim.



All of this can, and does, leave families with large medical bills that they struggle to pay off. This crisis has garnered the attention of Congress. In July the Senate Health, Education, Labor & Pensions Committee (HELP) held a hearing to discuss ways to resolve the nation's growing medical debt.

For those who find themselves swimming in medical debt the non-profit HealthWell Foundation could be a source of relief. The independent foundation, in existence since 2004, solicits individual and corporate donations to provide financial relief to qualifying recipients. To be considered you must:

- Have some form of health insurance
- Have a covered disease
- Have a covered treatment for that covered disease
- Receive treatment somewhere in the United States
- Have income at or below 500% of the FPL (federal poverty level)

If you have questions on how your insurance may cover a procedure make sure to use the resources available to you…. your HR representative, your insurance agent, the insurance carrier, and even your provider's billing area.

Source: https://www.usatoday.com/story/news/health/2024/08/01/insurance-consumers-medical-bills-errors/74599907007/

Source: https://www.healthwellfoundation.org/about/what-we-do/

INTERNATIONAL TRAVEL HEALTH INSURANCE

Eric Pierson
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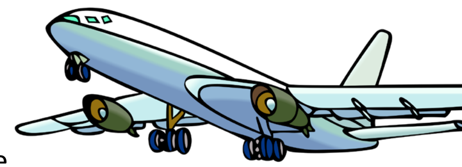
Whether you are leaving home for work, school, or a vacation you'll probably want to get travel health insurance.

You may have an individual or group health insurance plan, but medical care outside of the United States is generally something that isn't "covered" by those policies. Some might cover true emergency treatment and process it with a Maximum Allowable Fee (MAF). If they do, *you* will probably need to submit a claim to the insurance carrier for processing, rather than it being submitted directly by the provider. There may also be language and even currency barriers that can make it difficult to submit and process claims. It can be a challenge to get it done correctly.

You also need to understand that many hospitals, providers, etc. will be out-of-network, so there will be a question as to how much will be covered. They'll probably also want you to pay in full before you leave the country, because collecting after you leave is problematic for them.



A travel agent can be an excellent resource for getting information on medical care and insurance for your destination. However, you can also purchase specific insurance products for coverage while traveling. One option is GeoBlue Travel Medical and International Health Insurance, an independent licensee of the Blue Cross Blue Shield Association. These policies provide peace of mind to world travelers by providing access to network providers. They can be purchased for a single trip, multiple trips, and even long term for those that plan to be out of the country for 3 months a year or more.

THE SECRETS OF HAPPY PEOPLE

1. **Nurture Social Ties** – It is important to have face-to-face time with friends and family
2. **Give thanks for big and small** – Appreciating what is good in your life is a mood lifter. Hug your kids, spouse or pets!
3. **Lend a Hand** – Helping others makes you feel good which leads to happiness.
4. Talk nicer to yourself – Thinking positive about yourself is essential to good mental health.
5. **Find joy in Moving** – Exercise releases "feel-good" hormones and eases stress and anxiety. Kitchen Dance Party time!!
6. **Create and Play** – It is important to have down time to do the things you like and enjoy yourself. Go have fun and be silly.
7. **Get your Pillow Time** – Quality sleep is essential. Make sure to try and get seven to nine hours a night.
8. **Look on the Brighter Side** – Everyone makes mistakes. Don't beat yourself up when you do. Look at your success… not the failure.

Source: UnitedHealthcare; Healthy Mind, Healthy Body, February 2016