

HEALTH CARE REFORM UPDATE

Now that the health reform bill has been signed into law, many employers are wondering how it will affect them. Since the debate began, NBPA has been following health reform discussions and actions closely. We are in the process of analyzing specifically how the new law will affect self-funded health plans.

Following are a couple of the required changes that will be effective in the next year or two. This list is not meant to be exhaustive, but rather to highlight some of the more common or high-interest provisions of health care reform.

- Dependent children covered to age 26
- No lifetime limits
- No annual limits
- No pre-existing condition limitations
- Preventive coverage at 100 percent with no cost sharing
- Over-the-counter drug reimbursement restriction
- New W-2 reporting

We are reviewing the grandfathering provisions and to what extent it will affect self-funded plans.

There are many pieces of this legislation that need additional guidance for implementation. Congress has not yet prepared the “blue book” describing the Congressional intent of what Congress meant by each section. Congressional intent is the starting blueprint for the regulation writers, and this law leaves a vast amount of detail to be decided by the regulation writers.

We will continue to work with our resources and provide updates as we are given concrete answers. As always, please contact our office with any questions you may have.

ELECTRONIC FILING FOR FORM 5500

Under the Department of Labor’s Final Rule on Annual Reporting and Disclosure, all Plan Year 2009 and later Form 5500 Annual Returns/Reports must be filed electronically.

The Employee Benefits Security Administration (EBSA)’s revised website, www.efast.dol.gov, provides filers with up-to-date information about filing requirements, electronic filing options, software availability, frequently asked questions, and information about upcoming seminars, outreach activities and events.

The site also contains publications, a general fact sheet, informational copies of the Form 5500 and the instructions.

Plan filers can call the toll-free ERISA Filing Acceptance System (EFAST) Help Line at 866-463-3278 for assistance with the following:

- Responding to correspondence received from EBSA about EFAST processing of their Form 5500 or 5500-SF filing
- General questions about EFAST
- Questions and assistance completing the Form 5500 or Form 5500-SF
- Confirming EFAST’s receipt of forms submitted

SMOKING STILL THE LEADING CAUSE OF PREVENTABLE DEATH

Cigarette smoking continues to be the leading cause of preventable disease and death in the United States, according to the 2007 and 2008 National Health Interview Survey.

“Full implementation of population-based strategies and clinical interventions can educate adult smokers about the dangers of tobacco use and assist them in quitting,” reads a *Medical Benefits* newsletter story about the report.

Below are key findings from the survey, and below them is a table showing smoking percentages among ethnic and age groups, and selected characteristics.

- From 1998-2008, the proportion of U.S. adults who smoked declined 3.5 percent, from 24.1 percent to 20.6 percent. However, the proportion did not change significantly from 2007 (19.8 percent) to 2008 (20.6 percent).
- In 2008, an estimated 20.6 percent (46 million) of U.S. adults were current cigarette smokers. Of these, 79.8 percent (36.7 million) smoked every day and 20.2 percent (9.3 million) smoked some days.
- In 2008, smoking prevalence was higher among men (23.1 percent) than women (18.3 percent).
- Among racial/ethnic groups, Asians had the lowest smoking prevalence (9.9 percent) and Hispanics had a lower prevalence of smoking (15.8 percent) than non-Hispanic blacks (21.3 percent) and non-Hispanic whites (22 percent). American Indians/Alaska Natives had higher prevalence of smoking compared with other racial/ethnic groups (32.4 percent).

- Smoking prevalence was highest among adults who had earned a general education degree (GED). Smoking prevalence was lowest among adults with a graduate degree (5.7 percent).
- The prevalence of current smoking was higher among adults living below the federal poverty level (31.5 percent) than among those at or above this level (19.6 percent).
- Among current cigarette smokers, an estimated 45.3 percent (20.8 million) had stopped smoking for one day or more during the preceding 12 months because they were trying to quit.
- Smoking prevalence did not vary significantly for adults age 18-24 years (21.4 percent), 25-44 years (23.7 percent), and 45-64 years (22.6%); however, smoking prevalence was lower for adults over age 65 (9.3%).

WHAT EMPLOYERS WANT FROM HEALTH INSURERS IN 2010

Employers want their health insurers to address waste in the system rather than focus so much on provider discounts. Insurers should evolve the consultative relationship with the employer. They should revisit how health incentives are being used.

These were three of the recommendations for health insurers from employers when PricewaterhouseCoopers' Health Research Institute studied how employers viewed their health plans' services. *Medical Benefits* newsletter recently recapped the results and recommendations.

The study looked at 12 key service areas in four main categories: 1) financial, 2) customer service and claims administration, 3) use of technology and 4) population health management. The Health Research Institute surveyed executives at 100 large companies and 130 small companies, and interviewed 650 human resources executives.

Among the key findings:

- Satisfaction by large groups decreased by an average of five percentage points, from 64 percent in 2008 to 59 percent in 2009, while satisfaction among small employers held steady.
- Overall, small companies continue to be less satisfied with insurers than large companies by an average of 7 percentage points. Among small companies, the smaller the company, the less satisfied it is with insurer services.
- Employers continue to want more meaningful and higher-quality data to help them control costs and keep their employees healthy.
- Employers would like insurers to take an active role in waste reduction and are looking for consistency and transparency in their health benefit plans.

- Interest in technology tools is surging. Nearly half of all employers now say it is important for insurers to offer them; however, less than half are satisfied. Satisfaction with personal health records and online comparison tools has dropped 10 percentage points for large employers.
- Employers need to look beyond the same financial incentives to engage employees in completing health risk assessments and biometric screening.
- Despite or possibly because of the recession, 60 percent of employers said they would increase cost-sharing for health care with their employees. Of the employers surveyed, it was the most prevalent cost-control strategy.

Key recommendations for insurers:

- **Look beyond the provider discount strategy.** Employers want their insurers to address waste in the system, and the singular focus on provider discounts doesn't do that.
- **Evolve the consultative relationship with the employer.** Employers say they want to partner with insurers that improve the health of their workforce. Insurers need to become an advocate for employers and their health strategies.
- **Refresh engagement techniques and re-look at how incentives are being used.** Some employers are moving from rewarding health risk assessment (HRA) completion to rewarding healthy action. Activities that require more effort, such as preventive screenings or chronic disease management, may need new engagement methods, such as instant and constant feedback and relatable stories, to "move" people.
- **Assist in the coordination of care.** Health insurers are well-positioned to facilitate more effective information exchange among health industry organizations and the patient.
- **Increase consistency and transparency.** Insurers can use their member data to build workforce profiles that enable employers to create targeted outreach and engagement campaigns.
- **Use technology to provide useful information to support the employer's strategy.** Health insurers that are strongest in data collection can help their employer customers turn that data into useful information.
- **Educate the employee and the employer.** Insurers can help employers simplify health plans and benefits, engage their workers in real behavior change and translate benefit information into action.