



HHS Releases First Round of Post-Election PPACA Guidance

The Department of Health and Human Services (HHS) released the first guidance issued on the Patient Protection and Affordable Care Act (PPACA) to become effective in 2014. Provisions clarify Essential Health Benefits (EHB), cost sharing limits, actuarial value, and other market reforms including new premium rating rules for insurance companies.

The new rules, in the form of proposed regulations, were published in the November 26, 2012 Federal Register. HHS has extended a 60-day comment period, during which interested parties can comment on the guidance and recommend changes favorable to their position.

In addition to these regulations, HHS, the Departments of Labor (DOL), and Treasury jointly released proposed rules implementing provisions under PPACA that expand rewards available under outcome-based wellness programs (i.e., wellness programs that provide a reward for satisfying a standard related to a health factor).

Essential Health Benefits Package

Beginning with plan years starting in 2014, insurance companies that offer non-grandfathered health insurance coverage in the individual or small group market must ensure that such coverage includes the Essential Health Benefits package (EHB package), irrespective of whether such coverage is offered in an Affordable Insurance Exchange (Exchange). For these purposes, the small group market is defined to include employers with 1-100 employees. Until January 1, 2016, states may elect to limit the small group market to employers with 1-50 employees. Starting in 2017, states may permit large employers to purchase coverage for their employees through the Small Business Health Options Program (SHOP) exchange.

The EHB package must include items and services in all of the following 10 categories, and be equal in scope to a typical employer-sponsored group health plan:

- Ambulatory patient services;
- Emergency services;
- Hospitalization;
- Maternity and newborn care;
- Mental health and substance use disorder services, including behavioral health treatment;
- Prescription drugs;
- Rehabilitative and habilitative services / devices;
- Laboratory services;
- Preventive and Wellness services, Chronic disease management; and
- Pediatric services, including oral and vision care.

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2013 Medicare Deductibles:

Effective January 1, 2013, Medicare increased its deductibles and copayments. Please see the chart below for more information.

Services	2012 Deductible	2013 Deductible
Medicare Part A		
HOSPITALIZATION		
First 60 days	\$1,156	\$1,184
61st through 90th day	\$289	\$296
91st day and after – while using 60 lifetime reserve days	\$578	\$592
SKILLED NURSING FACILITY CARE		
First 20 days	\$0	\$0
21st through 100th day	\$144.50/day	\$148/day
101st day and after	100%	100%
Medicare Part B		
Deductible	\$140	\$147

Violation of Overtime and Wage/Hour Laws?

Investigation of federal wage and hour law violations is on the rise, as evident from the various enforcement actions that have happened in December. It is advised that employers prioritize reviewing their worker classification and pay practices.

- The Dallas Wage and Hour Division office found a company that violated the Fair Labor Standards Act (FLSA) by failing to pay 233 workers the minimum and overtime wages and keep records required by law. The complaint filed in the Northern District of Texas seeks back wages and liquidated damages of almost \$500K and an injunction against future violations of the FLSA.
- A company in Oklahoma City has paid \$100,264 in back wages to 19 current and former employees after an investigation found violations of the FLSA and the Davis-Bacon Act. The company failed to pay workers for overtime and failed to pay prevailing wage rates and fringe benefits.
- A U.S. District Court has ordered a grocery in San Francisco to pay \$110,071 in overtime back wages and liquidated damages to 25 current and former employees. \$11,687 in civil penalties against the employer have also been assessed because of the willful and repeat nature of the violations.



TIKIA CONSULTING GROUP, INC.
EMPLOYEE BENEFITS

Tikia Corner

It's Start Your New Year's Resolution Month!

In the spirit of New Year's resolutions, we have put together a guide to help you and your employees focus on succeeding in some of the top health-related resolutions. It has everything from Quitting Smoking to Controlling Your Diabetes. We sincerely hope that everyone finds it useful and wish each and every one of you the best of luck on sticking to your own New Year's resolutions.

Happy New Year to Everyone from all of us at Tikia Consulting Group!

[Click here to open "A Guide To Your Resolutions"](#)
(PDF will open in your internet browser)

FREE Phone Applications for A Healthier You!

52 Weeks for Women's Health: Designed specifically for women and with a health topic for each week of the year, this app helps promote healthy lifestyles through scientifically based health tips. It also allows for tracking health risks, goals, and progress.



ZocDoc: Enter your location, your insurance, and specialty you need so ZocDoc can generate a list of nearby physicians or dentists. You can book appointments immediately and read reviews. Great for when you are away from home or are looking for a new physician. Make sure however that your physician is a par provider.



Epocrates Rx: Search brand, generic, and OTC pills based on color and shape and check interactions. Epocrates Rx provides a large database that includes risk categories, warnings, manufacturer contacts, and much more.



Healthcare Reform Comparison

[Click here](#) to review a comparison of the Healthcare Reform provisions and effective dates
(PDF will open in your internet browser)

W-2 Reporting

PPACA: NEW Guidance Regarding W-2 Reporting & Specified Illness Coverage

Are you required to file at least 250 W-2 forms for the preceding calendar year?

YES

Employers are **REQUIRED** to report Hospital Indemnity or Specified Illness (**Group Critical Illness, Group Cancer**) (insured or self-funded), paid through salary reduction (pre-tax) or by the employer. Employers are **NOT REQUIRED** to report Accident coverage or the cost of supplemental health benefits that the employees pay for entirely with after-tax dollars. *Note: The W-2 total should include the aggregate cost — the total of the portion paid by the employer and the portion paid by the employee.*