

"I have found no greater satisfaction than achieving success through honest dealing and strict adherence to the view that, for you to gain, those you deal with should gain as well." – Alan Greenspan



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## PRE-EXISTING CLAUSE

Although PPACA, in January 2014, will require the "pre-existing" condition clause to no longer apply, one condition will not be impacted by this change. The law bars companies from charging higher premiums (based on certain criteria) or denying coverage because of pre-existing conditions. However, one group still remains categorized as having a "pre-existing condition," and as a result will be penalized for their condition: tobacco use.

The new regulations of ACA, which go into effect January 2014, allows health insurance carriers to charge tobacco users up to 50% more for individual policies. This means that the cost of the increase in premiums would be born solely by the individual smoker.

It is estimated that premium increases of \$4,250 to \$5,100 per year for smokers between 55 and 60 would probably bring about an additional financial burden on those individuals during the time in their life when health problems typically begin to present themselves.

Also, 29 states, as well as D.C., currently have smoker protection laws in effect, but that may soon be changing. These states, such as Oklahoma, are considering repealing those laws.

The combination of these drastic premium increases and the requirement of new private insurance plans to cover smoking cessation treatments is causing optimism that possibly more smokers will kick the habit and quit smoking.



## DOL RELEASES MODEL NOTICE OF EXCHANGES

The Department of Labor (DOL) recently issued guidance and a model notice employers can use to notify employees of the upcoming Healthcare Exchanges (aka Marketplaces). While employers are not required to use the model notice released by the DOL, they must ensure the required elements described in the statute are included in their communication to employees. The guidance also includes specific language that employers may find useful in developing their own notice communications.

The deadline for model Exchange notices to be supplied to all employees (part-time and full-time, regardless of enrollment) has been extended to be no later than October 1, 2013. For new hires, notices must be distributed after October 1, within 14 days of Date of Hire. Notices can be submitted either electronically or via first-class mail and are not required for dependents. A model Exchange notice can be found on the DOL's website at [www.dol.gov/ebsa/healthreform](http://www.dol.gov/ebsa/healthreform).

In addition to the model Exchange notice, the DOL has made a model COBRA Election notice available at [www.dol.gov/ebsa/cobra.html](http://www.dol.gov/ebsa/cobra.html). This COBRA notice includes information regarding coverage through the Exchanges, which should reduce the need for COBRA and thus reduce claim costs for the employer.

Two things to keep in mind:

1. If employers offer affordable minimum value coverage (as per the ACA), employees and their dependents are not eligible for subsidized individual coverage.
2. Part-time or seasonal employees who are not eligible under the employer's group health plan may be seeking more information about the Exchanges and the options available to them.



## WELLNESS

### MAY IS ARTHRITIS AWARENESS MONTH

The Arthritis Foundation strives to improve people's lives through preventing, maintaining, and curing arthritis. There are more than 46 million Americans (nearly 300,000 children) who live with arthritis, so the Foundation has deemed the month of May as Arthritis Awareness Month. The Foundation educates and emphasizes on physical activity as a way to ease the pain of arthritis or even prevent other diseases from forming through programs such as an Arthritis Walk. These events are scheduled all year long in hundreds of communities around the United States. At an Arthritis Walk event, teams of at least 10 walkers (friends, families, co-workers, vendors) walk a non-competitive 5km race to raise money to fight Arthritis.

To learn more about and find an Arthritis Walk near you, go to <http://www.arthritis.org/programs-events/arthritis-walk/> and click on your state.

Despite being one of the most common diseases in America, there are several myths associated with it:

1. **Myth:** "Arthritis is just minor aches and pains associated with getting older."

**Fact:** Arthritis is a complex collection of musculoskeletal disorders with more than 100 connected diseases that can affect all ages, races, and genders. Two-thirds are under the age of 65 and more than 36 million are Caucasians, 4.6 million are African-Americans, and 2.9 million are Hispanic.

2. **Myth:** "Arthritis is not a serious health problem."

**Fact:** Arthritis is an expanding weight on the health care and economic systems.

- Every year, arthritis patients account for about 44 million outpatient visits and over 992,000 hospitalizations.
- It is the number one cause of disability in the United States and a more often cause of activity restrictions than heart disease, cancer, or diabetes.

3. **Myth:** "People with arthritis should avoid exercising."

**Fact:** Exercise is key to fighting arthritis and the pain that goes along with it.

- Both endurance and resistance exercise provide significant benefits for people with osteoarthritis and rheumatic conditions.
- Exercise and weight management are leading methods to avoid injury and help prevent osteoarthritis. Every extra pound gone is pressure off your knees.

4. **Myth:** "Not much can be done for arthritis."

**Fact:** The Foundation is constantly helping people with pain relief and working towards new treatments and cures.



### IT'S ALSO NATIONAL PHYSICAL FITNESS AND SPORTS MONTH

President Barack Obama issued a proclamation to all Americans to make daily physical fitness, regular sports involvement, and consistent healthy nutrition a priority. Today, one in three children and two in three adults are either overweight or obese in America. Physical activity in conjunction with healthy eating habits will help reduce weight and increase muscle and bone strength. This month the challenge is posed to try a new physical activity and get others involved with you.

The goal is set at *5 days per week for 6 weeks*:

- For children - 60 minutes of physical activity that pumps up your heart rate per day
- For adults - 30 minutes of physical activity that pumps up your heart rate per day

## HRA, HSA, AND FSA COMPARISON

What do they all mean and how are they different? Both individuals and employers are always looking for ways to offset Medical expenses. Health Reimbursement Arrangements (HRA), Health Savings Accounts (HSA), and Flexible Spending Arrangements (FSA) are all ways to pay for qualified Medical expenses with tax-free money. Below is a summary grid of some of the advantages, features, and differences between the three:

	HRA	HSA	FSA
<b>Description</b>	Employer benefit that reimburses qualified medical expenses to eligible employees.	Tax-exempt account for qualified medical expenses created by an eligible individual.	Employer benefit that reimburses qualified medical expenses to eligible employees through a Cafeteria Plan.
<b>Taxable</b>	Employer contributions and reimbursements are not taxed.	If salary deducted, employee contributions are tax-deductible or pre-tax. Employer contributions and reimbursements are not taxed.	Employee and employer contributions and reimbursements are not taxed.
<b>Eligibility</b>	Determined by employer, but cannot discriminate based on compensation.	Eligible if covered under a Qualified High Deductible Health Plan (QHDHP), not covered by any other Health Plan, not enrolled in Medicare, and not claimed on someone else's tax return. <i>Note:</i> See table below for maximum contributions limits, minimum deductibles, and maximum out-of-pockets.	Determined by employer, but cannot discriminate based on compensation.
<b>Contributions</b>	Employer only contributes, unlimited contribution amount <i>Note:</i> In 2014, prohibition of annual dollar limits on coverage of health benefits (including HRAs).	Employee, family, employer may all contribute in any combination to a maximum of \$3,250 (single) / \$6,450 (family) in 2013. Employer contributions may not discriminate.	Employee and employer may both contribute in any combination. As of January 1, 2013, employees cannot contribute more than \$2,500/year. Employer contributions may not discriminate.
<b>Balance</b>	Employers cannot refund any remaining balance, but may carry over if elected by the employer.	Can be carried over to the next year.	Employers cannot refund any remaining balance and unused amounts do not carry over to the next year.
<b>Portability</b>	No, an employer owned account.	Yes, employee owned account.	No.
<b>COBRA</b>	Yes, subject to COBRA.	No, not subject to COBRA.	Yes, subject to COBRA, but may have some exceptions.

**Did you know?** Gas and Transportation Fees to and from *eligible* Medical, Dental, and Vision appointments may qualify for reimbursement, along with visits to the pharmacy to pick up your medications. The mileage rate for 2013 is 24 cents per mile.

## HSA HEALTH PLAN LIMITS

The below table summarizes HSA contribution and HSA-compatible health plan limits as set by the Internal Revenue Service (IRS):

	Tax Year 2012	Tax Year 2013	Tax Year 2014
<b>HSA Annual Contribution Limits</b>	Single - \$3,100 Family - \$6,250	Single - \$3,250 Family - \$6,450	Single - \$3,300 Family - \$6,550
<b>HSA Catch-Up Contributions</b>	\$1,000 per individual age 55 or older	\$1,000 per individual age 55 or older	\$1,000 per individual age 55 or older
<b>Minimum Deductible</b>	Single - \$1,200 Family - \$2,400	Single - \$1,250 Family - \$2,500	Single - \$1,250 Family - \$2,500
<b>Maximum Out-Of-Pocket Expenses</b>	Single - \$6,050 Family - \$12,100	Single - \$6,250 Family - \$12,500	Single - \$6,350 Family - \$12,700

**Note:** Patient Protection and Affordable Care Act regulations state that only over-the-counter drugs with a prescription may be reimbursed (excluding insulin). The tax penalty is 20% for using HSA funds for unqualified medical expenses.

## SCREENING COVERAGE UNDER THE ACA

Under the Affordable Care Act (ACA), various preventive health services are covered with no cost sharing when recommended by the U.S. Preventive Services Task Force (except for grandfathered plans). Among these services is screening for colorectal cancer for most adults age 50 and over.



Such screening is most often done through colonoscopies, and about 50 percent of the time polyps are discovered and removed to determine whether they are cancerous or not.

Herein lies the problem; some insurers judged that a colonoscopy with polyp removal is categorized therapeutic rather than a screening procedure and therefore billed patients for some or all of the test's cost.

However, the Obama administration deemed that plans have to cover the test even if a polyp is found and removed (this does not apply to Medicare beneficiaries who could still be required to make a copayment). Still, it's not so simple. For example, if someone tests positive on a fecal occult blood test, then is required to have a colonoscopy as a follow up, there are no clear guidelines indicating whether the colonoscopy would be considered as part of the original screening process or whether it would be categorized as separate diagnostic test. In addition, patients who are at high risk of colon cancer (due to family history or history of polyps, for instance) may or may not be covered for their more frequent screening. While some clarifications have been made regarding coverage of colon cancer screenings, questions still remain; the best way to avoid being wrongly billed is to discuss the procedure with the insurer in order to cover all bases.