Einstein
Advanced Health Insurance Solutions

NEWSALERT

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Health Coverage

Access to Chronic Disease Treatment Eased

NEW GUIDANCE from the IRS will help people enrolled in high-deductible health plans get coverage for pharmaceuticals to treat a number of chronic conditions.

Under the guidance, medicinal coverage for patients with HDHPs that have certain chronic conditions – like asthma, heart disease, diabetes, hypertension and more – will be classified as preventative health services, which must be covered free with no cost-sharing under the Affordable Care Act.

The background

The guidance, which took effect immediately, is the result of a June 24 executive order issued by President Trump directing the IRS to find ways to expand the use of health savings accounts and their attached HDHPs to pay for medical care that helps maintain health status for individuals with chronic conditions.

The executive order was in response to a number of reports that have shown that people with HDHPs will often skip getting the medications they need or take less than they should because they cannot afford to foot the full cost of the medication even before they meet their deductible. This can lead to worse issues like heart attacks and strokes, which then require more and even costlier care, according to the guidance.

The latest move is a significant step that should greatly reduce the cost burden on individuals with chronic conditions, as many of the medications they need to treat their diseases can be extremely expensive.

The IRS, the Treasury Department and the Department of Health and Human Services have designated 14 services (see box on right) that must be covered without a deductible. The agencies will review, add or subtract services from the list on a periodic basis. ❖

No cost-sharing treatments

Angiotensin-converting enzyme (ACE) inhibitors – Congestive heart failure, diabetes, and/or coronary artery disease.
Anti-resorptive therapy – Osteoporosis.
Beta-blockers – Congestive heart failure and/or coronary artery disease.
Blood pressure monitor – Hypertension.
Inhaled corticosteroids – Asthma.
Insulin and other glucose-lowering agents – Diabetes.
Retinopathy screening – Diabetes.
Peak-flow meter – Asthma.
Glucometer – Diabetes.
Hemoglobin A1c testing – Diabetes.
International Normalized Ratio testing – Liver disease and/or bleeding disorders.
Low-density lipoprotein testing – Heart disease.
Selective serotonin reuptake inhibitors – Depression.
Statins – Heart disease and/or diabetes.

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Medical Costs

Small Firms Can Reimburse for Medicare Part B, D Premiums

AS THE workforce ages and many employers want to keep on baby-boomer staff who have the experience and institutional knowledge that is irreplaceable, one issue that always comes up is how to handle health insurance.

Once your older workers reach the age of eligibility for Medicare, under current law you can help them pay for Part B and D premiums with a Medicare Premium Reimbursement Arrangement (MPRA). These types of arrangements became legal after legislation was signed into law in 2013 to help employers provide benefits to their Medicare-eligible staff.

But the issue surfaced again recently when the Trump administration came out with new guidance for health reimbursement arrangements that paves the way for employers to set up HRAs to reimburse staff for health premiums in their personal (not company group) health plans.

Anybody who is about to turn 65 has a six-month period to sign up for basic Medicare, but if they want additional coverage they can pay for Medicare supplemental coverage such as Parts B and D.

Part B – Part B covers two types of services:

Medically necessary services: Services or supplies that are needed to diagnose or treat your medical condition and that meet accepted standards of medical practice.

Preventative services: Health care to prevent illness (like the flu) or detect it at an early stage, when treatment is most likely to work best.

Part D – Part D covers prescription drug costs.

The dilemma for employers has often been whether to keep the Medicare-eligible employee on the company health plan or cut them free on Medicare

Smaller employers – those with 20 full-time-equivalent employees – have the option to open an MPRA for those employees if they are coming off a group health plan and into Medicare.

For small employers, it's legal to set up an arrangement like that, as long as doing so is at the employee's discretion. Employers are not allowed to push an employee into an MPRA in order to get them off the company's health plan.

The good news for employers is that they often can reimburse their employees in full for Part B and D, as well as Medicare Supplement, and still pay less than they would pay in group employee premiums alone.

On top of that, the employee gets a lower deductible and overall out-of-pocket experience with less, if any, premium contribution.

What you need to know

An MPRA is an arrangement where the employer reimburses some or all of Medicare Part B or D premiums for employees. The employer's payment plan must be integrated with the group's health plan.

To be integrated with the group health plan:

- The employer must offer a minimum-value group health plan,
- The employee must be enrolled in Medicare Parts A and B,
- The plan must only be available to employees enrolled in Medicare Parts A and B, or D, and
- The reimbursement is limited to Medicare Parts B or D, including Medigap premiums.

Note: Certain employers are subject to Medicare Secondary Payer rules that prohibit incentives to the Medicare-eligible population. ❖

Win-Win Benefits

Deciding Which Dental Insurance Plan Is Right for Your Staff

CHOOSING THE right dental benefits plan for your employees is always filled with compromises and difficult decisions, no matter if this is the first time you offer a dental plan at your company or you are just revising the benefits currently on offer.

The process becomes even more difficult when you look into the variety of options and types of dental benefits there are today. Here's some information to help simplify the situation.

Coverage types

There are three types of dental coverage employers typically offer:

Indemnity plan – These fee-for-service style plans are the most common type. They require employees to pay monthly premiums to the insurance company, which agrees to reimburse dentist offices for the costs of the services provided.

What makes these plans so popular is the freedom that covered individuals have in choosing their own dentist. Fee-for-service plans cost more than other plans, but many people are willing to pay more to retain the ability to choose their own practitioner.

Preferred provider organization – PPO dental plans are less expensive than indemnity plans, while still providing a large pool of dentists to choose from. Individuals covered under PPO plans are given the choice of receiving care from any provider within the plan's dentist network or choosing a non-network dentist and paying a little more in out-of-pocket expenses.

Dental health maintenance organization – A DHMO is the least expensive type of plan. Covered individuals are given an even smaller pool of in-network dentists and may not receive coverage if treated at a non-network facility. DHMOs are able to cut costs by placing a strong focus on preventative care and by offering a selective number of dentists to choose from.

Services covered

Besides choosing one of the three styles of dental insurance, the employer must decide on a benefits program that covers specific services. For example, some plans are comprehensive and cover everything from preventative care to major procedures, while others only cover preventative services.

In dental terms, preventative care refers to semi-annual check-ups and cleanings, yearly x-rays, and fluoride treatments and sealants for children covered under the plan. Basic dental care would refer to basic oral surgeries and restoration procedures. Major dental care refers to root canals, extractions, crowns, prosthetics and advanced surgeries.

Dental plans can also be customized to include services like orthodontics and cosmetic dentistry procedures through the use of riders and options.

For a small fee, supplemental services can be added to bulk up basic coverage plans.

The takeaway

When facing such an important decision, numerous factors play into your choice.

You must juggle the wants and needs of your employees with the cost and range of each plan. Is it better to have choices or to pay less in premiums?

The more communication you have with your staff, the better you will understand how to formulate a dental insurance plan that meets their expectations.

By promoting good oral health within the workplace and through a benefits program, you will be doing a great service to your employees and your business. ❖

Insurance Trends

Employees Satisfied with Plans, but Health Plan Costs a Burden

WHILE HEALTH insurance premiums aren't going up as much as they used to, both employers and their workers are still struggling with higher health care costs.

According to the "2018 Health and Voluntary Workplace Benefits Survey," published by the Employee Benefit Research Institute together with Greenwald & Associates, roughly half of all workers experienced an out-of-pocket cost increase in their workplace health insurance plans.

That's roughly the same percentage as in 2017, but lower than the 61% who saw cost increases passed on to them from their employers in 2014.

And employees are feeling the pinch: About 28% of all workers affected by reductions in employee contributions to health care plans have decreased their own contributions to retirement plans such as IRAs, 401(k)s, 403(b)s and 457 plans.

Nearly half have cut back on other savings as well, to cover their rising share of health care costs.

The troubles don't end there, though: About 25% of respondents reported they had trouble paying for basic necessities like shelter, rent and heat, and 36% reported difficulty with paying other bills.

About 27% told researchers they had already used up all or most of their savings, while about one-third have increased their level of credit card debt.

Thirty percent have delayed retirement, and 21% have been forced to drop other insurance coverage. Twelve percent have taken a withdrawal or loan from a retirement plan.

The increased out-of-pocket costs on workers seem to be having some effect on consumer behavior as well, as more individuals are taking steps to control overall costs. For example, 73% are trying to control health care costs by taking better care of themselves.

One-quarter of respondents said they had not skipped prescription drugs to save money, while half reported delaying going to the doctor.

Employees like their plans

That said, half of workers surveyed expressed satisfaction with their own company health plans.

But price remains a sore spot: Only 17% of respondents said they were extremely satisfied or very satisfied with the cost of their health insurance plan, while just 15% reported satisfaction with the cost of health care services excluded by their plans.

However, only 12% reported that they were unsatisfied with their own health plan.

The takeaway

While workers are generally happy with the plans currently on offer from employers, they are anxious about what the future may hold for them and their families.

While nearly half of workers surveyed said they were very confident or extremely confident that they could get needed treatments today, only about one in three expressed confidence about being able to get needed medical care over the next 20 years.

For employers, that means providing better education and working with employees to provide them with specific voluntary benefits like long-term care insurance in case they suddenly have a medical emergency that will keep them laid up for some time.

You can also work with us to see where you can save money and pass those savings on to your employees, while at the same time improving their benefits package. If you are concerned about what employees are feeling, call us and we can go over your current benefits package to see where you can make improvements. ❖