Employee Benefits Report

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Health Services **December 2022** **Volume 20 • Number 12**

Access to Telemedicine Diminishes

Telemedicine saw a surge in popularity during the COVID-19 pandemic, as it allowed for social distancing and reduced the risk of infection spread.

According to David Jordan, president and CEO of the United Methodist Health Ministry Fund, 11% of Americans used telemedicine before the pandemic. In May 2021, that figure had increased to 38%, based on data from the American Psychiatric Association.

However, limitations on cross-state care delivery have begun to resurface, potentially affecting patients' follow-up treatments, mental health therapy, and routine doctor check-ins.

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Q4 2022 Essentials for Plan Sponsors

Here are some key factors and deadlines to keep in mind for Q4 2022.

December 27, 2022 - Prescription Drug Data Collection (RxDC) Reporting Is Due

The RxDC reporting requirement requires employers to submit prescription drug data to the Department of Health and Human Services (HHS), the Department of Treasury, and the Department of Labor (DOL). The deadline is December 27, 2022. Some of the required information includes:

- **Most frequently dispensed drugs**
- **Most expensive medication**
- **Drugs that have registered the highest increase in cost.**

Detailed reporting instructions are available from the Centers for Medicare and Medicaid Services, which is collecting the data.

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States Restrict Access to Telemedicine

Despite initial enthusiasm for expanded telemedicine during the COVID-19 pandemic, almost 40 states have rescinded emergency declarations and reverted to their pre-pandemic regulations.

A few states, such as Arizona and Florida, have made efforts to streamline the process for out-of-state doctors. Others, like Virginia, are allowing patients to continue existing relationships with physicians.

Due to the confusion created by the unclear regulations, some practices have opted to stop offering cross-border telemedicine altogether. As a result, only patients who can travel to meet in person will be able to continue getting care from that particular provider.

Patients Forced to Travel

Many patients are now forced to travel because they do not have access to specialists in their area. This is a problem for cancer patients who may have to travel long distances for follow-up appointments and treatment. It is also an issue for mental health patients who may be unable to afford the travel costs or take time off work.

For example, Susie Rinehart has a rare form of bone cancer and cannot find the specialist she needs locally. With the new regulations, she must travel from Denver to Boston, where her oncologist is. During the pandemic, her doctor "visits" were virtual.

Dr. Shannon MacDonald, Rinehart's oncologist, explains that regulations for telemedicine are being enforced far more aggressively than even before the pandemic.

With virtual visits, if the patient is in Las Vegas and the doctor is in Boston, state medical boards would consider Las Vegas to be the location of the appointment. Massachusetts General, one of the hospitals where Dr. MacDonald practices, has instituted a rule whereby the doctor must be licensed to work in the state where the appointment takes place.

Therefore, the Las Vegas patient would not be permitted to work with Dr. MacDonald unless the doctor is licensed in Nevada. The hospital also limits virtual visits to patients in New England and Florida.

Dr. Peter Rasmussen, a neurosurgeon from Cleveland Clinic, is concerned about his patients traveling to get care. Travel is especially problematic during the winter when patients with conditions that impede mobility, such as Parkinson's disease, must face icy conditions. He explains that a single fall could be "life-ending" for such patients.

In terms of mental health, patients who need psychiatric care face a different challenge: finding a specialist who can treat them when they leave the state. College students, for example, who temporarily move to another state face significant issues because many U.S. counties do not have psychiatrists who work with children or adolescents.

Helen Khuri, a nineteen-year-old with post-traumatic stress disorder (PTSD), was forced to move from Atlanta to Boston to get the treatment she needed. Even though all the visits were virtual, she still had to move to be in the same state as the doctor to be eligible to take advantage of telemedicine.

Distance Is Irrelevant

These regulations don't take distance into account. So even if a patient is only one mile from their physician, the restrictions apply if it's across the state line.

Some doctors have patients who travel a few miles across the state border so they can connect virtually. This way, they save the time and hassle of traveling into the city for a face-to-face appointment.

Dr. Ed Sepe, a pediatrician in Washington, D.C., explains that many low-income families

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HDHP Insulin Coverage

The Inflation Reduction Act of 2022 made changes to Section 223 of the IRS Code that affects High Deductible Health Plans (HDHPs). Specifically, an exception was added regarding insulin where beginning January 1, 2023, HDHPs will no longer need to meet the deductible before providing insulin coverage.

Contraceptive Coverage

On July 28, 2022, DOL, Treasury and HHS issued FAQs regarding implementing the Affordable Care Act. They included the contraceptive coverage mandate for non-grandfathered group health plans and insurers. The document confirms the mandate, clarifies rules on how coverage should be managed medically, and discusses enforcement strategies, among others.

The document also confirms that OTC contraception not covered by a health plan can be reimbursed from HSAs, health reimbursement arrangements, and health flexible spending accounts.

CARES Act and Relief Act Amendments Delayed

As of September 26, 2022, the deadline for implementing the amendments laid out by the Coronavirus Aid, Relief, and Economic Security (CARES) Act and the Taxpayer Certainty and Disaster Tax Relief (Relief) Act has been postponed until December 31, 2025.

will suffer. They have jobs that don't allow them free time for in-person medical appointments. And telemedicine was helping.

According to Sepe, the geographic restrictions imposed on telemedicine do not make sense. Their exact location should be irrelevant as long as the patient is in the United States.

States Should Consider Easing Restrictions

According to the Federation of State Medical Boards, states can help telemedicine grow by protecting patients from fraud and similar issues. However, they also believe that states shouldn't impose such stringent restrictions on telemedicine.

The federation proposes that states allow patients who have visited an out-of-state doctor in person to conduct follow-up visits virtually. The same should apply to patients who are moving out of state temporarily but wish to continue working with the same doctor.

Dr. Ateev Mehrotra, a health policy professor at Harvard University, proposed that states could enter into agreements with neighboring states to make it easier for patients to access telemedicine services.

Mehrotra believes states have a wide range of options to resolve these issues. However, until then, many patients will continue being forced to jump through hoops to get the care they need.

Five Critical Issues for Employers Reporting for 2023 ACA Compliance

According to the Affordable Care Act (ACA), applicable large employers (ALEs) are obligated to offer full-time employees and dependents affordable minimum essential health coverage. They must also report to the IRS information about the health coverage plans they offer.

Here are five critical issues employers should remember to ensure they are in compliance with the ACA reporting rules for 2023:

The Affordability Threshold Has Been Lowered for 2023

Employers that want to avoid employer-shared responsibility payments (ESRP) must ensure that the employee's share of the cost of health coverage is deemed affordable. The affordability threshold is 9.12% for 2023, down from 9.61% in 2022.

Employers should keep this new threshold in mind when setting employee contributions for health coverage. If an employer offers health coverage that is not affordable, it may be subject to an ESRP.

Understand How Affordability Safe Harbors Work

To make sure all employers are subject to the same affordability test, the ACA created three "safe harbors" employers can us to determine if their health coverage meets the affordability rule. They are (1) the Form W-2 safe harbor, (2) the rate of pay safe harbor, and (3) the federal poverty line (FPL) safe harbor.

With the Form W-2 wages safe harbor, affordability is based on the employee's W-2 wages for the most recent tax year.

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With the rate of pay safe harbor, affordability is determined by how much the employee earns per hour on the first day of the plan year. After that, it is only adjusted if the employee's pay rate declines during the period.

The FPL safe harbor considers affordability to be met if the employee's required contribution per month does not exceed 9.5% of the federal poverty line for a single individual for the year. The total amount is divided by 12.

ESRP Penalties Are Rising

The Affordable Care Act's (ACA) Employer Shared Responsibility Provision (ESRP) continues to be a key compliance concern for employers. The provision requires ALEs to offer affordable health coverage to a minimum of 95% of their full-time employees (and their dependents) or face potential penalties.

The IRS updates the amounts it uses adjusted for inflation to determine ALE compliance every year. For 2023, the A penalty that applies when ALEs do not offer minimum essential coverage to at least 95% of their full-time employees is $2,880 ($240/month). The B penalty that applies when the coverage is deemed unaffordable or does not provide minimum value to employees is $4,320 ($360/month).

The rising penalties underscore how important it is for employers to analyze their offerings to ensure they comply with the ACA.

Remember the Deadlines and Forms

ALEs must remember their obligations for the annual issuance of statements and submission of reports to the Internal Revenue Services. Specifically, Forms 1095-C must be issued to all full-time employees by March 2, 2023. These forms disclose information about the group health coverage offered by the employer.

In addition, Forms 1094-C and 1095-C must be filed with the IRS by February 28 (paper) or March 31 (electronically). Note that ALEs that have more than 250 forms to submit must do so electronically.

Failure to adhere to these deadlines and regulations may result in penalties from the IRS.

Use the Right Forms

The IRS recently released draft versions of the Affordable Care Act reporting forms in 2022. These include Form 1094-B and Form 1094-C for transmittal and Form 1095-B and Form 1095-C for information.

Though there are no material changes to the forms themselves, the instructions no longer reference individual mandate penalties. Nevertheless, employers are encouraged to review the 2022 draft forms to ensure a complete understanding of their reporting obligations.

Making basic errors on these forms can result in costly consequences for employers, so be sure to stay current on reporting requirements. ■

Businesses Expand Employee Benefits Offerings to Attract and Retain Top Talent

In today's competitive labor market, offering traditional benefits like healthcare is no longer enough to attract and retain top talent. Business leaders should consider expanding their definition of employee benefits to meet the unique needs of their workforce. By providing a diverse range of benefits, companies can boost morale, increase job satisfaction, and improve retention rates.

Looking Beyond Traditional Benefits

Traditionally, the employee benefit discussion within organizations focused mainly on health insurance costs. However, as the value and impact of benefits grow, more organizations are having regular conversations about them at the C-suite level.

While salaries remain a major factor for job seekers and employees, a robust benefits package can significantly influence a firm's ability to attract and retain employees. Employers who offer above-average benefits may have an advantage in the competitive job market.

For example, Verizon modified its employee compensation strategy to give employees more choices. This includes offering a stipend for personalized benefits such as pet insurance or telehealth and including non-traditional elements like flexibility in the workplace.

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Understand Your Employees

While the approach to determining benefits may vary for each organization, a thorough understanding of the workforce can significantly impact program efficacy. IntelyCare, a healthcare staffing company with 50,000 professionals in its workforce, recognized its employees' unique goals and needs and developed specialized benefits to support them.

For example, the company's nurses take on extra shifts to pay off debt or save money to buy a home. As a result, the company crafted benefits that directly address these goals, such as savings plans, attractive mortgage interest rates, and the option to get paid within 15 minutes of finishing work for the day.

Thanks to its non-traditional approach to benefits, IntelyCare has seen retention rates increase by almost 100% and engagement rise by 40%.

Speak to Employees

Some organizations have a diverse group of employees due to their size. In these cases, it can be challenging to design a benefits package that meets the needs of everyone. The most effective approach is to ask employees what they value.

Verizon conducts quarterly surveys and gathers feedback from its employees through various channels. The company uses this data to tailor the benefits it offers.

For example, in addition to traditional mental health benefits, Verizon also assists caregivers with benefits such as providing backup care when an employee needs to take a break.

Must-Have Benefits

While offering traditional benefits such as healthcare and retirement plans is essential for companies to remain competitive, expanding their offering to include non-traditional options is the only way to differentiate themselves.

According to MetLife's 20th Annual U.S. Employee Benefits Trends Study 2022, certain benefits have become non-negotiable, such as flexible/remote work arrangements. Currently, 55% of employees surveyed feel this benefit is a must-have, up from 37% in 2020.

Next in importance is health and wellness, with 52% stating that access to such benefits is non-negotiable, compared to 26% in 2020.

In line with these expectations 51% of employees feel their employers should acknowledge the importance of their personal lives, up from 38% in 2020. The final must-haves are professional development and advancement opportunities at 45%, up from 38%, and setting boundaries on work hours at 44%, up from 27%.

The Importance of Adapting

As the job market continues to shift and evolve, employers realize that traditional benefits packages are no longer enough to attract and retain top talent. Many employees now prioritize company culture, flexible work options, and growth opportunities over more traditional benefits like healthcare or healthcare retirement plans.

As a result, forward-thinking companies are expanding their definition of what constitutes employee benefits, offering benefits that focus on employee well-being and career development in addition to traditional perks. By embracing an expanded approach to benefits, organizations can attract top candidates and improve overall employee satisfaction and retention.

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Online Tools Help Employees Make Better Benefits Choices, Boost Engagement

The traditional enrollment process for employee benefits, which often involved filling out paper forms and waiting for them to be processed, has shifted towards an online platform. Employers are now seeking ways to improve this experience by incorporating decision-support tools.

This move towards digital enrollment is not new but adding these tools to enhance decision-making is becoming increasingly important. Ultimately, the goal is to make the process more user-friendly.

Simplifying Benefits

Benefits are complicated, and most employees do not have the time to learn all the ins and outs of each one. Online decision-support tools help employees understand their benefits by providing clear and concise information. These tools also allow employees to compare different options side-by-side, making it easier for them to make an informed decision.

For example, an online calculator that enables employees to compare health plans and factors in premiums and previous or expected expenses can help them save money. According to Chad Wilkins, executive VP of Webster Bank in Sheboygan, Wisconsin, 20% to 30% of people choose a different health plan after using a decision-support tool.

Improving Engagement

Employees who use decision-support tools during open enrollment are more likely to be engaged in the process. They are also more likely to be satisfied with their benefits and feel like they understand their options.

It's only logical since people have become so used to Amazon and similar personalization systems that they expect the same experience in other areas of their lives, including benefits enrollment.

Easing Communication

Enrollment platforms and digital tools in multiple languages can also help to improve communication with employees, especially with a workforce that is not entirely comfortable reading or speaking English.

Protecting the Environment

Going digital is also more environmentally friendly. The paper forms traditionally used for benefits enrollment are no longer necessary, reducing waste.

Paper Is Still Necessary

In some cases, paper will still be necessary. For example, some employees may not be able to easily access a computer, such as those who work in manufacturing or construction.

Using online decision-support tools during benefits enrollment can help employees make better decisions, be more engaged in the process, and feel satisfied with their benefits. However, experts advise companies to continue providing employees with person-to-person support to ensure a successful enrollment experience.