Benefits
BUZZ

Benefits tips brought to you by
Rose Street Advisors

May 2015

DID YOU KNOW?

Telemedicine, which uses technology to facilitate communication between a doctor and patient who are not in the same physical location, is growing in popularity.

A recent Towers Watson study indicates that employer interest in telemedicine is increasing, with about 20 percent of U.S. employers offering the option in 2014, with expected increases nearly doubling for 2015.

Telemedicine is useful in certain types of cases as a viable alternative to traditional, face-to-face doctor visits, leading to reduced health care costs while still providing quality medical care.

HHS Issues Final Rule Affecting ACA for 2016

On Feb. 27, 2015, the Department of Health and Human Services (HHS) published its final Notice of Benefit and Payment Parameters for 2016. This final rule describes benefit and payment parameters applicable to the 2016 benefit year, including standards relating to:

- The reinsurance program's annual contribution rate for 2016;
- The 2016 open enrollment period for individual policies; and
- The 2016 annual limitations on cost-sharing.

The reinsurance program is a transitional program to help stabilize premiums for individual market coverage during the first three years of Exchange operation, from 2014 to 2016. The program collects a fee from health insurance issuers and some self-insured group health plans. The 2015 rate is $44 per enrollee, and the 2016 rate is $27 per enrollee.

The final rule also sets the annual open enrollment period for non-grandfathered policies in the individual market for the 2016 benefit year and beyond. The final rule changes the open enrollment period from the proposed notice. The annual open enrollment period for 2016 will be Nov. 1, 2015, through Jan. 31, 2016.

Additionally, the rule set the annual limitation on cost-sharing. The Affordable Care Act (ACA) requires non-grandfathered health plans to have an out-of-pocket maximum on essential health benefits. This overall annual limit must be updated annually. For 2015, the out-of-pocket maximum is $6,600 for self-only coverage and $13,200 for family coverage. Under the final rule, for 2016 the out-of-pocket maximum increases to $6,850 for self-only coverage and $13,700 for family coverage.

The final rule also clarifies that the annual limit on cost-sharing applies to the plan year, not the calendar year, for non-calendar year plans. In addition, the self-only coverage maximum applies for any individual, whether that individual is covered under either a self-only or a family health plan.

RoseStreet
ADVISORS
BENEFITS | INSURANCE | INVESTMENTS

Few Employers Cutting Hours to Avoid ACA Fines

The ACA's employer shared responsibility rules define a full-time employee as one who has an average of 30 or more hours of service a week. Beginning as early as Jan. 1, 2015, applicable large employers must provide full-time employees and their dependents with affordable, minimum-value health insurance or risk having to pay a penalty.

It was feared that many employers might reduce employees' hours in order to lessen the impact of the ACA's employer mandate penalties. However, a recent survey by the Society for Human Resource Management (SHRM) demonstrates that the majority of employers have not reduced hours as a result of the ACA's mandate.

Specifically, the survey shows that 14 percent of organizations have reduced part-time hours and 6 percent plan to reduce hours. Another 8 percent of employers considered reducing part-time hours but decided against it.

SHRM shares that about 19 percent of employees were affected by reduction or planned reduction in part-time hours.