



EMPOWERING PLANS SINCE 2000





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The Top 10 of 2020:
Cost Containment Measures to
Implement Right Now

March 10, 2020





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Overview

- The Future Is Now
- COVID-19 – Outreach to Industry
- PGC FAQs
- Political Update
- The Top 10 of 2020







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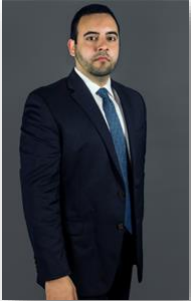
Today's Speakers




Adam V. Russo, Esq.
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Jennifer M. McCormick, Esq.
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Director, Consulting





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What Motivates Us?

The Problem – **Health Care Costs Too Much** and The Price is Increasing; Employers are Forced to Offset Costs Through Higher Co-Pays and Deductibles

Our Purpose – To **Make Health Benefits Affordable** for Employers and Employees

Why? – Because **Hard Working Americans Deserve Access** to High Quality, Affordable Healthcare

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So Little Can Do So Much!

<https://secure.qgiv.com/event/directcare/>

RIP Medical Debt (a national 501[c][3] nonprofit organization) uses donations to purchase bundled medical debt portfolios. It targets debt incurred by people facing financial hardship and then forgives it. On average, \$1 is leveraged to abolish \$100 in medical debt. **Donations totaling \$90,000 will abolish all medical debt for people facing financial hardship in Massachusetts.** Please join us in the fight to abolish \$9 MILLION of medical debt for those in need!

Please visit www.ripmedicaldebt.org for more information and to donate today!

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Follow Us!

Looking to stay updated on the latest health insurance industry news?





Click on the link below to follow our LinkedIn page!




Or...

Go to LinkedIn and search for *The Phia Group, LLC*


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Download the Podcast!



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or

Listen to our podcasts on our website!
www.phiagroup.com/Media/Podcasts

Thanks for listening!

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PACE® Certification

The PACE® Certification program will educate you using 3 distinct chapters of information:

Chapter One
Explore the ins and outs of self-funding while learning about its risks and rewards. This chapter will transform any individual into a self-funding pro.

Chapter Two
Take a deeper dive into the laws that apply to self-funded plans. We cover it all, from federal preemption to adverse benefit determinations and appeals.


Chapter Three
Explain what PACE is, what PACE does, and how it's obtained, implemented, and utilized.





UPDATE! 75% of PACE Certified TPAs are reporting the tools provided have already increased their PACE plan-adoption rate, resulting in increased revenue for the TPA, and more employers being protected.

Please contact Michael Vaz at mvaz@phiagroup.com or 781-884-4971 if you are interested in learning more.

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Thanks for Listening!

**Special Shout-Out to
Joanie Verinder
Compliance Director
Group & Pension Administrations, Inc.**








Joanie told us:


“I once road a donkey dressed as Mary in a Christmas parade, received a Master of Arts in Religious Education, and my EXTREMELY guilty pleasure is watching “The Good Place” and “Lucifer” on Netflix.”

Thanks for listening!

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A Great Past – A Bright Future








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2020 Ushers In the 20th Year of The Phia Group's Existence
Stay Tuned for a Year of News and Events Celebrating 20 Years of Empowering Plans!

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The Future Is Now

New for 2020 – Free Health Benefits

- Employees Enrolled in Plan for 5+ Years Will Have their Contribution Requirement Waived
- Coverage for Employee, Spouse, and Dependents is Provided Free-of-Charge
- As Long as Costs are Contained, the Rewards Will Flow



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The Future Is Now (cont.)

New for 2020 – Free Health Benefits

- Offer is Contingent Upon Continuous Plan Membership and Attending Mandatory Open Enrollment Meeting
- Mandatory Open Enrollment Meeting
 - Not “Just” About How to Enroll
 - Not “Just” About How the Plan Works
 - Not “Just” About What’s Covered and What’s Excluded
 - We Address:
 - Top Cost Drivers For Our Plan & In General
 - Trends in the Nation and Commonwealth of Massachusetts
 - Existing & New Cost Containment Programs
 - Using Cost & Quality Data to Make Smart Choices
 - ... and What YOU Can Do to Contain Plan Costs!

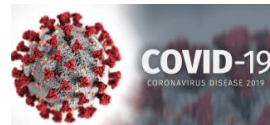
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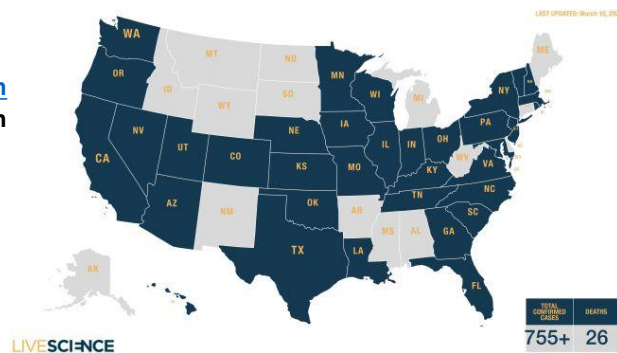
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COVID-19 Outbreak – What It Means for the Industry

- The Current Situation
 - 114,000+ confirmed cases worldwide
 - 4,028 deaths
 - 755 confirmed cases in the U.S. (26 deaths)
 - Quarantines/lockdowns



Contact us at
PGCReferral@phiagroup.com
 with any and all questions on
 COVID-19 preparedness.



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COVID-19 – Employer & Plan Response


- Plan Document
 - Testing Is an Essential Health Benefits
 - Some states requiring no cost sharing (non-ERISA)
 - Continuation of Coverage
 - Actively at Work Definition
 - Quarantine / State of Emergency Issues
- Employee Handbook

Covered Services	Network
Lab Tests, X-Rays, and Other Tests	Outpatient lab tests, x-rays, and low-tech imaging 100%

 - Paid Time Off
 - FMLA/State Leaves
 - ADA Leave/General Leave
 - Teleworking
 - Disaster Recovery/Business Continuity Planning
- Healthcare Issues
 - Does COVID-19 Trump HIPAA Privacy Rules? (No)
- Concern over Surprise Medical Bills

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Podcast Topics

Our Next Podcast Topic Will Be:

COVID-19 Employer & Plan Response



Our Podcast Will Be Posted on Wednesday, March 11th
by 12 p.m. EST

It Will Be Available At

www.phigroup.com/Media/Podcasts



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PGC Most Frequently Asked Questions

Does a plan have to cover a newborn baby under the Newborns' and Mothers' Health Protection Act, if the newborn is not added to the policy?

- The plan doesn't have to cover anyone who isn't enrolled!
- The NMHPA does not require group health plans to provide coverage for maternity or newborn benefits
- HIPAA affords newborns at least a 30-day window to be enrolled in the plan, starting at birth; coverage will be retroactively effective as of the birth
- Generally, the mother's inpatient stay and the delivery itself are covered under the *mother's* benefits, but beyond that any treatment for the newborn would be under the newborn's own coverage (if enrolled).

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PGC Most Frequently Asked Questions (cont.)

Can a rehired former employee be treated as a new employee for purposes of coverage under the ACA?

A returning employee can be treated as having been terminated and rehired in a few situations:

- After a break in employment of at least 13 weeks (26 weeks for educational organizations);
- Alternatively, an employer may (but isn't required to) apply a "parity rule", where a returning employee can be treated as a new hire if the break in service was *longer* than the duration of employment immediately before that break in service.
 - For example, if the employee worked for 10 weeks and was then absent for 11 weeks, they could be treated as a new employee upon returning
 - This period of interruption in employment cannot be less than 4 weeks

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Political Update



On March 2nd, the Supreme Court announced that it will hear *Texas v. United States*, the third time the Court will consider *Obamacare*.

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Obamacare Is Headed to SCOTUS Again

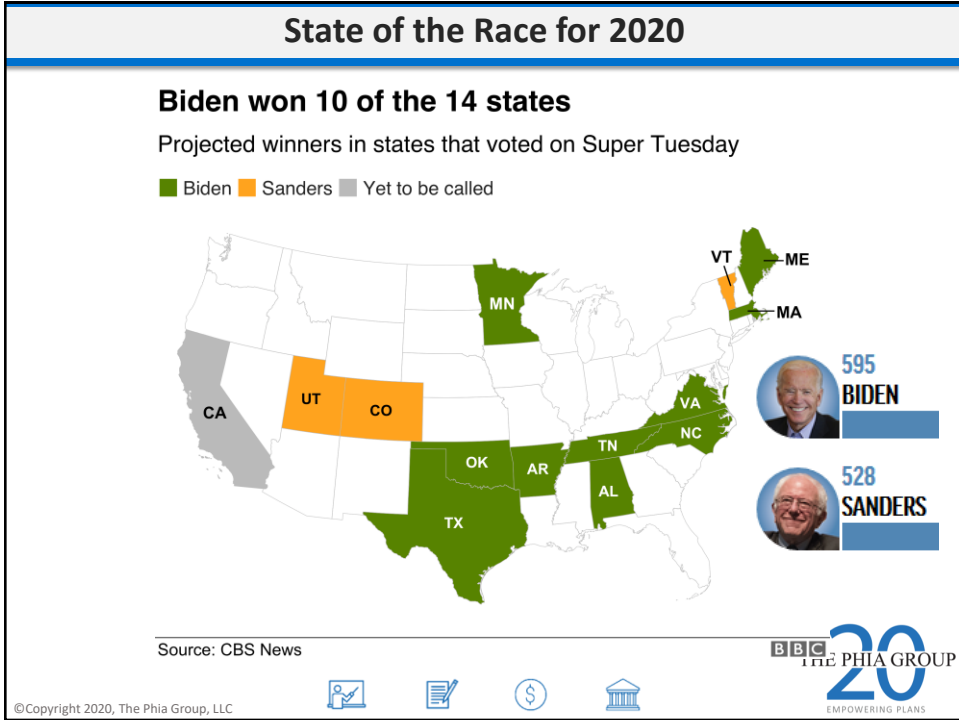
- *Texas v. United States* now refashioned as *California v. Texas*
 - The 5th Circuit Court of Appeals ruled in December that part of the law is now unconstitutional and its decision cast a cloud over the rest
 - A group of 20 Democratic states appealed. Defenders of the Affordable Care Act argued that the issues raised by the case are too important to let the litigation drag on for months or years in lower courts
 - Court will consider the full scope of legal issues (standing and severability)
- When Will the Case be Heard and Decided?
 - Heard in the fall of 2020, possibly in the month before the presidential election
 - Justices will likely issue their decision in the spring or early summer of 2021 — June at the latest
- The Possible Outcomes
 - It is possible the Court could choose to overturn the mandate and only a few other select provisions, like the preexisting conditions rules, which were very much linked to the mandate when the law was drafted
 - But Trump administration wants the whole law tossed out

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State of the Race for 2020

- Is Medicare for All Dead?
 - Not So Fast

Exit Poll – Democratic voter views on replacing private health insurance with a single payer system

State	% For Replacing Private Health Insurance	% Against Replacing Private Health Insurance	State	% For Replacing Private Health Insurance	% Against Replacing Private Health Insurance
IA	57%	38%	MN	62%	35%
NH	58%	37%	NC	55%	41%
NV	62%	35%	OK	53%	43%
SC	49%	46%	TN	52%	44%
AL	49%	45%	TX	63%	33%
CA	57%	36%	VA	51%	46%
CO	57%	36%	VT	73%	23%
MA	53%	42%	AR	No exit polls	No exit polls
ME	71%	26%	UT	No exit polls	No exit polls

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1. U&C Language!

- It might not do what you think it does
 - Discretion to determine via unspecified factors
 - Relying on other vendors?
 - The “black box” approach
 - Applying to in-network claims
- Generalities are OK, but it can’t say *nothing*; it has to reasonably describe what the plan is going to allow
- Too-vague language can negate deference

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2. Drafting Compliant Documents!

- ACA updates for 2020
 - OOP increase: from \$7,900/\$15,800 to \$8,150/\$16,300
 - Other changes include IRS HDHP min and max, HSA contribution limit, “Affordability” threshold, employer mandate penalties
 - Know your contraception!
 - New preventative care recommendations
 - New wellness program rules (...eventually?)
- New SBC Template

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3. Follow Those Documents!

- Disobeying the terms of the SPD is a violation of a fiduciary duty
 - Good faith is generally not an excuse
- Granting exceptions may be OK, depending on circumstances – but it has to be consistent!
 - SPDs are “special,” and exceptions aren’t just one-and-done
 - De facto SPD “amendments”
- Fiduciary damages are levied to punish and disincentivize future behavior
- Some courts have held that the SBC is just as important as the SPD when describing benefits to a beneficiary

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4. Seek Help When You Need It!

- Mind the Gap(s)!
 - Unexpected gaps arise between the SPD and unwritten “internal rules,” as well as vendor programs
 - Employee handbooks and LOAs continue to clash
- For the ten-thousandth time, *read your contracts*
 - Unexpected run-out after termination
 - Perpetual fees from one-time services
 - Who owns what materials?
- Claims are complicated
 - Seriously. They are.

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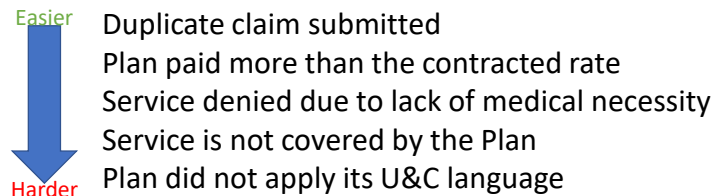


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5. Don't Let Your OPs Go To Waste!

- Possibly fiduciary duty to attempt to recover OPs
- Some refund reasons are much better than others



- Partial recovery is better than *no* recovery

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6. Better Subrogation Recoveries!

- Michigan law
 - As of 7/1/2020, MI residents can choose to forego PIP coverage if they have other auto accident-related coverage (i.e. a self-funded health plan)
 - Damned if you do?
- Better subrogation language
 - Many plans still have antiquated, weak language!
- Overlap between subrogation and overpayment/coordination
- Check your vendor's stats – PEPY recoveries? How many open cases per employee?

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7. Not All Benefits are Created Equal!

- Popular carve-outs include dialysis, hemophilia, specialty Rx
- Specialty networks abound!
- Carve-outs can be within the SPD or via amendments
 - Amendments may highlight the differences more clearly, but language within the SPD makes them seem more normalized
- Be wary of when you can compliantly effect an amendment (careful about discrimination)
- Make sure there are no “unwritten” carve-out rules...

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8. Take a Look at Your Networks!

- Network Pros and Cons:
 - Simplicity vs. customization
 - Lack of noise vs. poor cost-containment
 - Small discounts vs. arbitrariness of charges
- Can you **reprice** in-network claims based on Medicare?
- Can you **audit** in-network claims?
- Can you **overturn** a pre-auth when you get more info?
- Big difference between making creative contractual *arguments* and actually having *success*
- Explore options like DPC & narrow networks
 - Wal-Mart’s got the right idea!

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Walmart Making Moves



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Walmart –Health Clinics & Narrow Networks

Walmart Is Looking to Disrupt Healthcare, Especially Employer-Sponsored Care

- Walmart Testing Narrow Networks
 - Walmart is the nation's largest private employer with 1 million lives
 - Launching select provider networks in 2021, ditching PPOs
 - Plan enrollees will have the option of selecting a "curated network"
 - Including physicians in eight specialties
 - Selecting physicians for the network based on quality analysis by a Walmart vendor
 - Providing quality assessments to all physicians reviewed, whether or not selected for the network
 - Performing ongoing analysis of clinical results to remove or add physicians to the network
 - Encouraging dialogue with market physicians to correct data and evaluate how both the analysis and physicians can improve
- Walmart May Start Nationwide Health Care
 - Patients can see doctors for routine checkups and ongoing treatment of such chronic illnesses as diabetes and heart disease, even without insurance.
 - Services available: lab work, X-rays, dental care, behavioral health counseling, eye and hearing exams, and access other services.
 - Annual checkup for an adult is \$30 without insurance, an eye exam is \$45 and dental exams cost \$25. Therapy sessions are \$60.

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9. Take a Look at Your Stop-Loss Carrier!

- Generally, longer policies mean more definitions and exclusions
- Be wary of the term “mirroring”
 - Big difference between *language* and *discretion*.
 - Any deference to the Plan Administrator’s determinations?
- U&C language
 1. Check to see if the policy has its own separate definition
 2. Compare that definition against the plan’s definition
 3. What does it say about network rates? (*Anything?*)
- Network example:
 - The plan incurs a claim for \$200k, paid at the contracted 10% primary network discount (\$180k)
 - Once submitted to stop-loss, the carrier performs its own audit, and returns findings that the policy’s U&C caps this claim’s allowable at \$50k, so there’s no reimbursement

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10. Get Creative!

- Employee incentives
 - Phia’s “diapers and wipes” initiative
 - Employee bill auditing
 - Consultation with HR
- Predictive modeling, analytics, etc.
- Direct contracts – do what makes sense for *your* plan
- Self-funding is all about the ability to break the mold

Phia is here to help.

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THANK YOU!

**Join us for our next free webinar:
April 23, 2020 at 1:00pm EDT**
www.phiagroup.com/media/webinars

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