




THE PHIA GROUP
EMPOWERING PLANS

**Top Miscues Employers Make
When It Comes To Their Health Plans ...
*And What We All Can Do To Become Health Plan Heroes***



LEARN  PLAN  SAVE  PROTECT 

www.phiagroup.com | PGCReferral@phiagroup.com | © Copyright 2017, The Phia Group, LLC

Today's Speakers



- **Adam V. Russo, Esq.**, Chief Executive Officer
➤ arusso@phiagroup.com
- **Ron E. Peck, Esq.**, Senior Vice President and General Counsel
➤ rpeck@phiagroup.com
- **Jennifer M. McCormick, Esq.**, Vice President, Consulting
➤ jmccormick@phiagroup.com
- **Brady C. Bizarro, Esq.**, Staff Attorney
➤ bbizarro@phiagroup.com

www.phiagroup.com | PGCReferral@phiagroup.com | © Copyright 2017, The Phia Group, LLC

PGCReferral @ phiagroup.com



Contact PGCReferral for all your consulting needs!

Specialties:

- Plan drafting, review, analysis, custom amendments
- ACA compliance questions
- Network, provider, stop-loss, client dispute resolution
- ...and so much more

Features:

- Simple submission process
- Same-day quotes in most cases
- Average turnaround of 8 business days
- Flat, transparent fees
- No surprises



www.phiagroup.com

| PGCReferral@phiagroup.com

| © Copyright 2017, The Phia Group, LLC

Flagship Plan Document: Phia's Best Practices



- Delays In Plan Drafting Cause Many Plans To Administer Old Plans – Or In Some Cases – No Plan
- To Combat This The Phia Group Has Developed Its Flagship Plan Document Template
- A Condensed Version Of Its Industry Acclaimed, Fully Customizable Template
- The Phia Group Has Created A Nearly Complete Plan Document – By Pre-Selecting What It Deems To Be The Best Provisions In Every Regard
- All That Remains Is To Fill In Biographical Information, Insert A Schedule Of Benefits, And Eligibility Criteria
- **Contact Tim Callender** at 781-535-5631 or tcallender@phiagroup.com



www.phiagroup.com

| PGCReferral@phiagroup.com

| © Copyright 2017, The Phia Group, LLC

PGCReferral @ phiagroup.com



PGCReferral: January 2017's Most FAQ

- What is the "Confined Persons" exclusion?
 - Why would a plan want a timeframe included in the exclusion?
- Will a plan's grandfathered status be impacted if a plan modifies prescription drug coverage to include a requirement to use generics when available and medically appropriate?
- 1095-C Form (Employer Mandate reporting): Is there any transition relief available? Are the affordability safe harbors still applicable?



www.phiagroup.com

PGCReferral@phiagroup.com

© Copyright 2017, The Phia Group, LLC

LinkedIn & Twitter Contest



Step 1. ~~Attend our webinar.~~

Step 2. Visit our **LinkedIn** or **Twitter** page.

Step 3. Post or tweet **honest feedback** about our webinar.
 On LinkedIn, tag "**@The Phia Group**"
 On Twitter, tag "**@ThePhiaGroup**"

Step 4. Win **one free hour of consultative guidance!**

Check out our social media pages for news, updates, and more...



www.phiagroup.com

PGCReferral@phiagroup.com

© Copyright 2017, The Phia Group, LLC

Overview



- Trump Transition Update
- Mind the Gap(s)!
 - Plan Document vs. Employee Handbook
 - Plan Document vs. Unwritten Rules
 - Plan Document vs. Vendor Policies
 - Plan Document vs. Stop-Loss Policy
 - Plan Document vs. Laws & Regulations



www.phigroup.com

PGCReferral@phigroup.com

© Copyright 2017, The Phia Group, LLC

Trump Transition Update



**Tom Price sworn in as the
23rd Secretary of Health and Human Services**

www.phigroup.com

PGCReferral@phigroup.com

© Copyright 2017, The Phia Group, LLC

Repeal and Replace . . . and Repair?



- “Repair” is the New Buzz Word
 - Recent leaks reveal Republicans are worried about a full repeal
 - Nonpartisan CBO estimates 20 million could lose coverage after full repeal
 - Recall that Democrats retain filibuster power for legislation, but not bills dealing with ACA tax credits and other federal spending
 - So ending the subsidies will be easy, but ending the exchanges will not be
 - Therefore, some want to fix the individual market before repealing part of the law
 - Not enough young healthy people to offset costs for sicker, older people. The result is higher premiums fewer insurance options



www.phigroup.com

PGCReferral@phigroup.com

© Copyright 2017, The Phia Group, LLC

Repeal and Replace . . . and Repair?



- Biggest Issues Facing the Congress
 - Future of Medicare & Medicaid
 - Capitation over fee for service.
 - Expansion rollback; Block grants
 - Pre-existing Conditions
 - Continuous coverage requirements
 - Taxes and Fees
 - Division between House and Senate
 - Cadillac Tax
 - Medical device tax
 - Transition and Timing
 - President Trump’s timeline, “maybe it will take till sometime into next year...”
 - Will insurance still be required to cover certain services?



Sen. Lamar Alexander, R-Tenn., seen here with Sen. Patty Murray, D-Wash., at a Jan. 10 hearing of the Senate Health, Education, Labor and Pensions Committee. Says he'd like to see the individual insurance market fixed before repealing Obamacare.
 Courtesy: FoxBusiness.com



www.phigroup.com

PGCReferral@phigroup.com

© Copyright 2017, The Phia Group, LLC

Plan Document vs. Employee Handbook



- Three major areas of concern:
 - Eligibility
 - Disability
 - Leaves of Absence



www.phigroup.com

PGCReferral@phigroup.com

© Copyright 2017, The Phia Group, LLC

Plan Document vs. Employee Handbook



Eligibility

- SPD has 90-day waiting period; Handbook has 60 days
- SPD defines full-time employee as 40 hours; Handbook says 35 hours
- SPD covers full-time employees without specifying hours; Handbook says 35 hours; ACA says 30 hours



www.phigroup.com

PGCReferral@phigroup.com

© Copyright 2017, The Phia Group, LLC

Plan Document vs. Employee Handbook



Disability

- SPD makes no reference to disability; Handbook promises coverage
- SPD promises coverage for eight weeks of disability; Handbook promises ten weeks



www.phigroup.com

PGCReferral@phigroup.com

© Copyright 2017, The Phia Group, LLC

Plan Document vs. Employee Handbook



Leaves of Absence

- SPD does not provide for state-mandated leaves of absence, but Handbook does
 - Example: Oregon's 36 weeks of FMLA/OFLA leave
 - Example: Massachusetts' 12 weeks of paternity leave
- Handbook allows any of various approved leaves of absence; SPD does not reference those



www.phigroup.com

PGCReferral@phigroup.com

© Copyright 2017, The Phia Group, LLC

Plan Document vs. Unwritten Rules



- Employer decides to approve a leave of absence without the leave being provided in the handbook
 - Fine legally, but SPD and stop-loss likely do not support it
- Member exhibits “unspecified drug-seeking behavior”; Employer gives list of three approved doctors and says the rest are not covered
 - Member visits “non-covered” doctor; plan denies claims



www.phigroup.com

PGCReferral@phigroup.com

© Copyright 2017, The Phia Group, LLC

Plan Document vs. Vendor Policies



- Employer utilizes international medical tourism program; SPD excludes all non-emergent claims outside the US
- Employer utilizes Medicare reference-based pricing; SPD defines payable rate as “traditional” U&C (prevailing charge)
- SPD references a dialysis carve-out but the PPO contract does not support it



www.phigroup.com

PGCReferral@phigroup.com

© Copyright 2017, The Phia Group, LLC

Plan Document vs. Stop-Loss Policy



ADA Leave

- SPD silent on the matter; defined eligibility based on active employment
- SPD excluded employees not at work for over one month
- Employee was approved for over one month of leave but employer continued enrollment



www.phigroup.com

| PGCReferral@phigroup.com

| © Copyright 2017, The Phia Group, LLC

Plan Document vs. Stop-Loss Policy



PPO Discrepancies (or, the “Many Hat Problem”)

- SPD caps claims at U&C (prevailing charge in the area)
- PPO requires payment at billed charge less a percentage
- PPO rate was higher than U&C rate
- Plan **Administrator** vs. Plan **Sponsor** vs. **Employer**



www.phigroup.com

| PGCReferral@phigroup.com

| © Copyright 2017, The Phia Group, LLC

Plan Document vs. Stop-Loss Policy



State-based Leave Policies

- Same as before (e.g. Oregon) – everything connects!
- Oregon permits up to 36 weeks of leave in certain situations
- The law permits leave for a sick child that requires *home care*
- Employer granted sick child leave, but child was in ICU rather than at home
- Stop-loss caught the error and denied 12 weeks of coverage



www.phigroup.com

PGCReferral@phigroup.com

© Copyright 2017, The Phia Group, LLC

Plan Document vs. Laws & Regulations



Inconsistent Administration

- ERISA requires that the Plan Administrator interpret the same language in the same way for similarly-situated members...
- Member's claim from skiing accident denied as hazardous
- CEO's son's very similar claims are *not* denied as hazardous
- **Abuse of discretion / arbitrary decision**



www.phigroup.com

PGCReferral@phigroup.com

© Copyright 2017, The Phia Group, LLC

Plan Document vs. Laws & Regulations



Domestic Violence / Health Condition

- Federal law requires that benefits cannot be denied if the exclusion would not be applicable but for domestic violence or a physical or mental health condition
- A member overdoses on illegal narcotics and requires expensive treatment; SPD denies claims caused by the use of illegal drugs



www.phigroup.com

| PGCReferral@phigroup.com

| © Copyright 2017, The Phia Group, LLC

State & Federal Law: Leaves of Absence



Employers must be aware that some laws require benefits while on certain types of leave.

- Temporary employees in MA are entitled to earned sick time
- Part-time temporary employees can be entitled to FMLA if they worked for 12 months and averaged 24 hours per week
- Temporary employees are entitled to ADA and USERRA leave



www.phigroup.com

| PGCReferral@phigroup.com

| © Copyright 2017, The Phia Group, LLC



THANK YOU.

PGCReferral @ phiagroup.com

www.phiagroup.com

Join us for our next free webinar:

March 23, 2017 at 1:00pm EST

www.phiagroup.com/media/webinars



www.phiagroup.com

| PGCReferral@phiagroup.com

| © Copyright 2017, The Phia Group, LLC