

Benefits Buzz

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DID YOU KNOW

While insured small group plans and individual health insurance policies will be subject to new deductible and out-of-pocket limit caps in 2014, proposed legislation indicates that the government does not intend to impose these regulations on self-insured group health plans or insured large group health plans. In addition, remaining grandfathered group health plans will also be exempt from these new requirements.



Health Care Reform: Proposed Rules on Workplace Wellness Programs

The Affordable Care Act (ACA) includes provisions to encourage appropriately designed, consumer-protective wellness programs in group health coverage.

On Nov. 26, proposed regulations were released regarding the ACA's nondiscrimination requirements for wellness programs.

The proposed regulations would increase the maximum reward under a health-contingent wellness program from 20 percent to 30 percent of the cost of coverage, and would further increase the maximum reward to 50 percent for wellness programs designed to prevent or reduce tobacco use.

Health-contingent wellness programs require individuals to satisfy a standard related to a health factor in order to obtain a reward. This includes wellness programs that require an individual to attain or maintain a certain health outcome in order to obtain a reward (such as not smoking, attaining certain results on biometric screenings or meeting exercise targets). This type of wellness program must meet the following five nondiscrimination

standards:

- Frequency of opportunity to qualify
- Size of reward
- Uniform availability and reasonable alternative
- Reasonable design
- Notice of other means of qualifying for the reward

These regulations would apply to both grandfathered and non-grandfathered group health plans and group health insurance coverage for plan years beginning on or after Jan. 1, 2014.

Definitive guidance will not be available until the regulations are in final form. Comments on the proposed regulations are due by Jan. 25, 2013.

Proposed Reinsurance Fees Will Cost Group Health Plans

On Dec. 7, the Department of Health and Human Services (HHS) issued proposed regulations on some of the fees that will affect insurers and health plans. The regulations on transitioned reinsurance fees provide:

- For self-insured group health plans, the plan sponsor is liable for paying the reinsurance fees, although a TPA or ASO contractor may be used to make the payment
- The amount of the fee is proposed to be \$63 per covered life per year
- The rate will be announced each year by HHS