

# BenefitsBuzz

Benefits and HR tips brought to you by

**Brown & Brown Benefit Advisors**

## DID YOU KNOW

On May 28, 2013, the IRS released an updated Form 720 that includes a section where issuers and self-funded plan sponsors will report and pay the Patient-Centered Outcomes Research Institute (PCORI) fee.

The PCORI fees apply for plan years ending on or after Oct. 1, 2012, but do not apply for plan years ending on or after Oct. 1, 2019. For calendar year plans, the fees will be effective for the 2012 through 2018 plan years.

The first deadline for filing Form 720 is July 31, 2013.



## HCR Final Rule on Workplace Wellness Programs

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

Effective for plan years beginning on or after Jan. 1, 2014, ACA essentially codifies the existing HIPAA nondiscrimination requirements for health-contingent wellness programs, while also increasing the maximum reward that can be offered under these programs.

Changes for health-contingent wellness programs include an increase in the permissible reward for meeting a health-related standard to 30 percent of the total cost of employee-only coverage (or 50 percent, if the program is designed to prevent or reduce tobacco use).

The final regulations formally adopt the proposed nondiscrimination rules for these programs, such as giving

individuals an opportunity to qualify for the reward each year and providing an alternative standard or waiver for individuals with health conditions.

The rules also divide these programs into two categories—activity-only wellness programs and outcome-based wellness programs.

The final rules will also continue to support participatory wellness programs, which are generally available without meeting a health-related standard.

These programs include programs that reimburse for the cost of membership in a fitness center, that provide a reward to employees for attending a monthly, no-cost health education seminar, or that reward employees who complete a health risk assessment, without requiring them to take further action.

## Employer Coverage Tool Released

HHS has released application forms for individuals seeking health insurance coverage through an Exchange, along with the Employer Coverage Tool, which is intended to assist employees in gathering information about their employer's health coverage.

The Employer Coverage Tool asks for information on the health plan's eligibility requirements, waiting periods and premium costs, along with whether the plan provides minimum value and whether any changes will be made to the plan for the new plan year.

Employees will use this information to complete the Exchange application and to determine their eligibility for affordability programs.

Employers should familiarize themselves with the Employer Coverage Tool so they can provide accurate and complete information regarding their health coverage in order to avoid paying Pay or Play penalties.