

# Stay Current With Our Benefits Bulletin



With so much change happening in the benefits industry, we want to provide our customers with some background on recent developments.

[Benefits Bulletin Q3 2019](#)

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## Helpful Info: Health Savings Account Contribution Rules

Many employers offer high deductible health plans (HDHPs) to control premium costs and pair this coverage with HSAs to help employees with their health care expenses. Due to an HSA's potential tax savings, federal tax law includes strict rules for HSA contributions. [Click here for a Compliance Overview summarizes the contribution rules for HSAs. \(PDF, new window\)](#)

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# Some Best Practices for Health Insurance Enrollment

Health insurance is a valuable benefit offered by businesses to their employees. You're glad it's there, but let's be realistic – when it comes to the paperwork involved, we know many people would rather be doing something else. Here are some best practices to streamline your business's health insurance enrollment.

1. Plan ahead by creating a realistic schedule for open enrollment by beginning with the end in mind.

Ideally, your open enrollment period should end no later than 30 days prior to the end of your plan year or renewal date. This kind of timely action builds in a buffer for delay or error in the process.

Once you determine the ending date of open enrollment, back up from there to schedule open enrollment meetings, print forms or materials, distribute or mail open enrollment packets, etc. We're here to help.

2. Collect all required information for each plan participant (employee or dependent).

This may include:

- Last Name, First Name and Middle Initial (exactly as provided in previous enrollments)
- Social Security Number (unique and accurate identifying information for each dependent)
- Address
- Date of Birth (unique and accurate identifying information for each dependent)
- Gender
- Hire Date (if an employee)
- Coverage Effective Date

- Product Coverage (Medical, Dental, Flex)
- Date of Termination, if applicable, and Reason for Term (especially needed for COBRA)
- E-mail address

3. Double-check all data. Accurate completion of all fields on any enrollment or waiver forms now saves time, delay and aggravation later. Insurance companies can use only the information they are given.

4. Educate employees about the guidelines of spending accounts associated with their health coverage. For example, FSAs are “use it or lose it” accounts, where contributions made to an FSA during a calendar year can be used only for eligible expenses incurred during the same year – unless your plan provides for either a grace period or a carryover.

And – if your employees have flex debit cards, remind them to save all receipts for purchases made with the card as well as the cards themselves, even if the allocated FSA total amount has already been used.

Additionally, discussing these items with your agent can help with the decision-making process: Your budget for health insurance and contribution strategy (for the business and for the individual employee) and the health insurance networks the insured employees use or prefer to use.

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## **Rate Hikes Sought by Maine's ACA Insurers**

Maine's two leading providers of Affordable Care Act-compliant individual health insurance are requesting average rate

increases of just over 9 percent in 2019, and smaller increases if a state-run reinsurance program is revived.

Maine media has covered this news, including this story from the Portland Press Herald. [Click here.](#)

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## Anna Moorman Recognized for Medicare Sales Production



Anna  
Moorman

Anna Moorman of Allen Insurance and Financial has been recognized as a top Medicare producer in Maine. Moorman is one of two agents at the company who specialize in the complex market of Medicare insurance, working with a number of insurance carriers to give customers a range of choices to suit their needs.

Moorman and her colleague Jo-Ann Neal are based in the company's Chestnut Street offices in Camden.

"Medicare is very complex and both Anna and Jo-Ann enjoy helping clients navigate the Medicare maze by simplifying the process," said Michael Pierce, company president. "At Allen Insurance and Financial, our goal is to provide dedicated, one-on-one attention to our Medicare customers, assessing each person's needs and finding options that will align with their budget and healthcare goals."

At a recent luncheon in Bangor, Anthem recognized Moorman for

her work in the Medicare market, where she received an award for being the second highest performing broker for Anthem Medicare Supplement sales in 2017 for the State of Maine. She also received a second award for overall production of Anthem Medicare policies written in 2017, coming in fourth in a field of more than 200 brokers.

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## **Meet Our Medicare Team at the MidCoast Senior Expo**

Join Jo-Ann Neal and Anna Moorman at the MidCoast Senior Expo, Friday, May 18 from 9 a.m. to 2 p.m. at the Elk's Lodge, 210 Rankin Street in Rockland.

Jo-Ann and Anna will be ready to answer questions about Medicare. The event is expected to draw 32 exhibitors and is sponsored by Maine Senior Guide.

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## **Considering Self-Funding in the Battle Against Increasing Health Insurance Costs**

By Sherree L. Craig, CEBS, Insured Benefits Division



Sherree L.  
Craig, CEBS

With a predicted medical trend increase of 6.5% in 2018 (PwC), businesses can expect to see a bump in their health insurance costs again this year.

Until the underlying issue of the cost of medical care can be controlled, company health insurance plans will be impacted with higher premium costs, reduced insurance protection and increased employee dissatisfaction with their benefits.

More businesses are exploring the opportunity to be creative with their company health plan offerings through a risk-mechanism called self-funding. What are they doing? They are paying for all of their employees' health care with the assistance of a third party administrator (TPA), insuring only their highest cost claims with a stop-loss insurance policy. This way, they have several advantages over a fully insured health plan.

1. Removal of insurance company overhead costs
2. Reduced state premium taxes
3. Improved cash flow and,
4. Flexibility in plan designs and service offered.

This flexibility leads us into several strategic initiatives considered next generation for health plan cost control, and employers are adopting these innovative ideas to help reign in their medical spending.

All health plans are required to pay 100% for preventive services. How about removing all financial obstacles (co-payments and deductibles) for the treatment of the chronic conditions that lead to the largest medical costs down the line? With this concept, "Value Based Plan Design" diabetics are getting proper testing and medications to prevent the catastrophic claim that is imminent without proper care.

Another tool being adopted by self-funded health plans is the reference-based pricing model. A reference price (the most that will be paid) is determined for a treatment, either by a percentage of the allowable Medicare payment (i.e., what the federal government has to pay for that service) or by a study of comparable pricing from well-respected providers (Centers of Excellence).

The plan payment for any provider is capped at that reference price. A health plan might also choose to negotiate with that provider to accept that price (Direct Provider Contracting), or the health plan policy might be to have the member pay the balance bill if higher than the reference price.

Self-funding is not an answer for all employers. If you do choose to make that leap, or want to explore the opportunities, be sure to speak with an experienced professional. There is a lot of work to be done when moving in this direction and thorough education, preparation, and analysis is critical.

*Sherree Craig is certified in self-funding by the National Association of Health Underwriters. The NAHU Advanced Self-Funding Certification ensures knowledge of regulatory concerns, service model options, cost-containment strategies and underwriting concepts necessary for providing advice and direction on employer self-funded health plans.*

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**Important Information for  
Those Who do not Have**

# Employer-Sponsored Health Insurance

Open enrollment is when you can change plans or change insurance companies. The open enrollment period for individual health insurance coverage for 2018 under the Affordable Care Act has been shortened significantly to Nov. 1 through Dec. 15.

We are working with as many of our existing customers as possible. We will not be taking on any new individual health customers.

For more information, please read our [October Individual Health newsletter](#), distributed to our customers on Tuesday, Oct. 10.

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## Our Latest Medicare Newsletter – Open Enrollment Starts 10/15

Plan information for 2018 will become available Oct. 1. By that time you should have received an Annual Notice of Change (ANOC) from your insurer explaining how your plan will be changing for 2018. If you have questions about your coverage or need to make a change, open enrollment is a great opportunity to do this.

Open enrollment starts Oct. 15 and ends Dec. 7. Plan changes take effect Jan. 1.

[Here's a link to our newsletter.](#)

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# Individual Health Newsletter | June 2017

Read our June 2017 Individual Health Newsletter (PDF, new window).

[Click here](#).