

# ADVANTAGE

## HEALTH PLANS TRUST

Compliance in Employee Benefits:  
The Basics

*Reporting, Terminations, & Avoiding Discrimination*



# INTRODUCTION

## Today's Topics

- Reporting Compliance
- Terminations
- New Hires
- Avoiding Discrimination

## Why are we having these webinars?

- Increasing regulation
- Confusion
- Increased scrutiny from employees and regulatory bodies
- Increase employer responsibility



# REPORTING

*Q: How do I comply with the new W-2 requirement?*

**A:**

- 250 W-2's filed for prior year
- Total cost of health coverage
- "Informational Purposes Only"
- Start now!



# DISCLOSURES

*Q: What do I need to disclose?*

*A: (This is not a complete list, these are examples)*

- Other disclosures in Summary Plan Description or Policy/Certificate\*
  - Dependent to Age 26
  - Independent Review Organizations
  - Women's Health and Cancer Rights
  - Mental Health Parity
  - Enhanced Claims Procedures
  - Newborns' and Mothers' Health Protection Act of 1996 (NMHPA)
  - COBRA Initial Notice



# DISCLOSURES

*Q: What do I need to disclose?*

*A: (This is not a complete list)*

- Summary of Benefits required later this year (2012)
  - “4 page summary”
  - Glossary of definitions
  - Effective after 9/23/2012



# TERMINATIONS & NEW HIRES

*Q: What is the most important thing when I hire a new employee?*

**A:**

## New Employee

- Timely notification of eligibility
- Deliver proper documents
  - i.e. COBRA Initial Notice
- Enrollment forms
- Plan documents

## Benefits Provider/TPA/Insurer

- Timely notice
- Confirm waiting period
- Deliver completed enrollment forms



# TERMINATIONS & NEW HIRES

*Q: But...I am still paying my employee.. What's the problem?*

A: Are they still eligible?

- Are they entitled to the extended coverage?
- Is it an 'authorized leave?'
- Is it FMLA?

If not handled correctly,

- Employer risks loss of stop-loss coverage (self-funded)
- Employee might lose coverage under the policy (rescission)
- Employer may be 'on the hook' for medical expenses



# TERMINATIONS & NEW HIRES

*Q: But...I am still paying my employee.. What's the problem?*

A: Continuation of coverage can be arranged if proper steps are followed:

- Offer COBRA (102% of cost)

Alternatives for employer

- Employer pays COBRA cost
- Employer/Employee share cost
- Medical facility pays COBRA cost





# TERMINATIONS & NEW HIRES

*Q: What are the most important steps when an employee terminates?*

**A:** Notify your benefits provider(s)

- Who is in charge of COBRA notifications?
- Creditable coverage notices
- Make sure the proper notices are sent to all entitled parties!

*Check your bill every month!!*



# AVOIDING DISCRIMINATION

*Q: What would be considered discrimination?*

**A:**

Fully insured Plans (B.U.C.A.)

- Non discrimination rules have always applied to self funded plans
- PPACA added “similar” requirements that apply to fully-insured plans
- On hold until the IRS issues regulations

Self funded (AHP)

- Eligibility
- Benefits



# AVOIDING DISCRIMINATION

*Q: What are the penalties for discrimination?*

**A:**

- What PPACA provides
  - \$100 for each day in the non-compliance period with respect to each individual to whom such failure relates
  - Excise tax – non-deductible
  - Self assessed, self reported
- What the DOL can do
  - Enjoin a non-compliant act or practice
  - Seek other appropriate equitable relief



This presentation provides information of a general nature. None of the information contained herein is intended as legal advice or opinion relative to specific matters, facts, situations, or issues. Additional facts and information or future developments may affect the subjects addressed in this presentation. You should consult with a lawyer about your particular circumstances before acting on any of this information because it may not be applicable to you or your situation.





## What if I have more questions?

Call us at 1-800-521-1711

### **Join us for our next webinar!**

Compliance in Employee Benefits:

*How to get compliant after an 'oops' moment*

*-By Maria Robles Meyers*

May 15, 2012 at 10 am

To register go to

[www.advantagehealthplans.com](http://www.advantagehealthplans.com)

