



# **Municipal Health Benefit Fund Seminar**

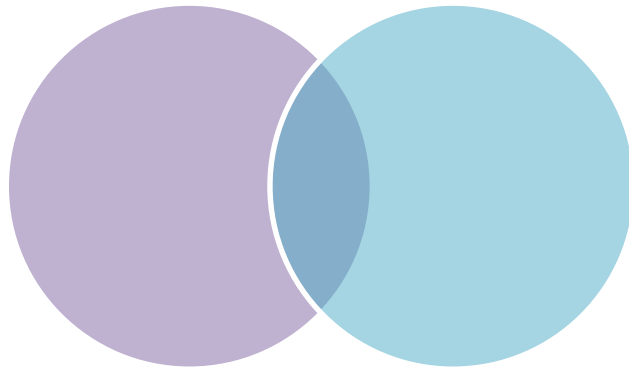


Friday, November 7, 2014

Arkansas Municipal League

# MHBF

## ACA and 2015

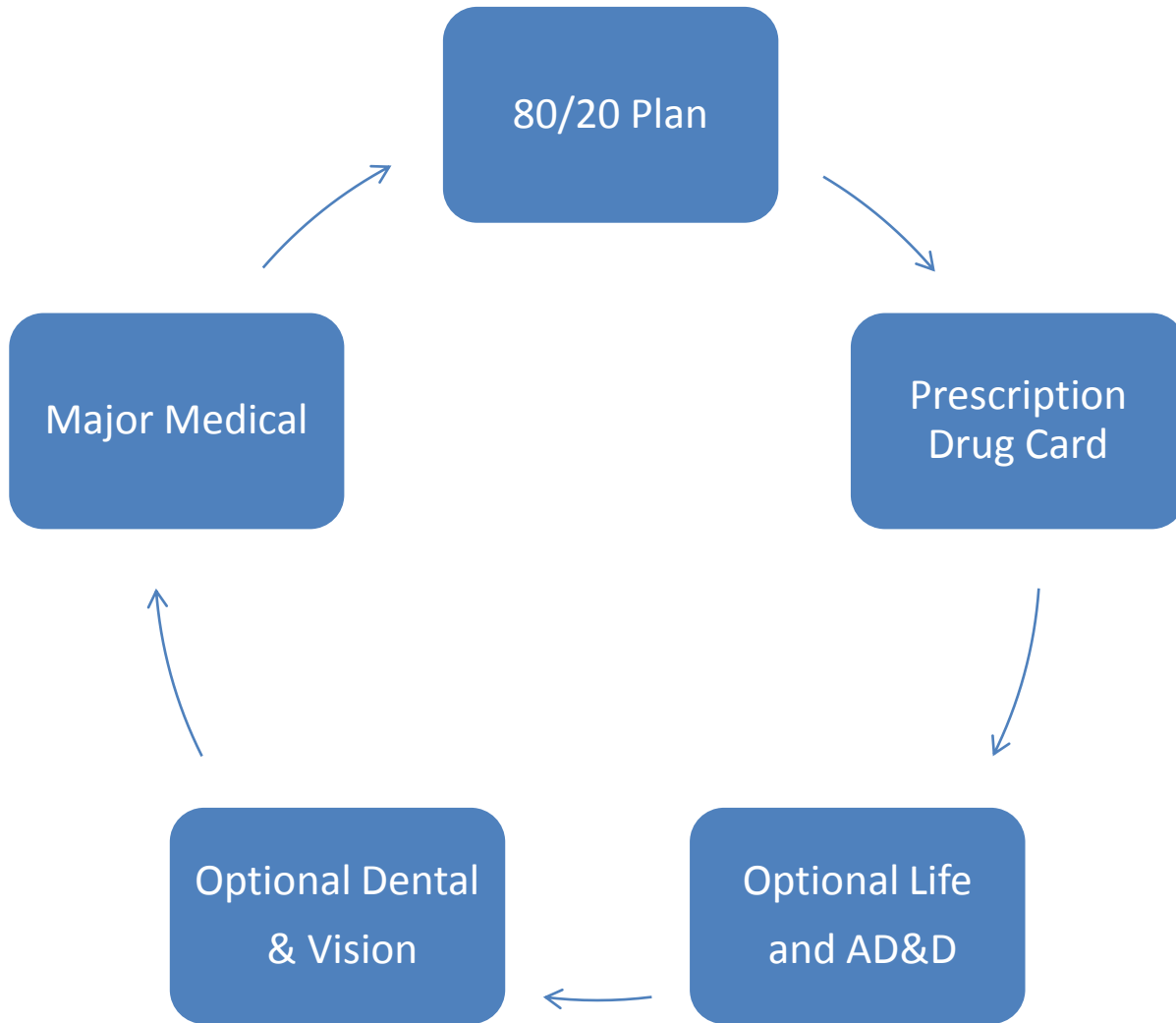


❖ Few Changes for 2015 -

❖ Basic coverages remain the same-

❖ Verbiage in Booklet has been clarified with changes printed and in your packets-

❖ To note: Eligibility Change – 75% of FTE's to be covered-



# Stop-Loss Changes for 2015

For in-state in-network medical providers. \$4,000 per individual, \$8,000 per family. No change for 2015



For in-network pharmacy providers, \$2,600 per individual, \$5,200 per family.

This means:

- When a single person reaches \$2,600 in prescription drug copayments each year – no copayment will be assessed for subsequent covered medications.
- When a family reaches \$5,200 in prescription drug copayments each year – no copayment will be assessed for subsequent covered medications.
- Please note: Stop-Loss does not apply to referenced priced or non-covered medications

# Prescription Drug Changes

**Preventive Services** – the Plan provides coverage for the following “preventive” medications / drug categories as required by the Affordable Care Act (ACA). These products will be available at \$0 co-payment unless otherwise specified when accompanied by a prescription from your physician. Reasonable medical management processes will be in place to ensure appropriate frequency, method, treatment, or setting for an item or service.

Drugs / Drug Categories	Coverage Parameters
Aspirin to Prevent Cardiovascular Disease	For members $\geq$ 45 years of age. Quantity Limit of 100
Iron Supplementation for Children	For children up to 1 year of age
Oral Fluorides for Children	For children $\geq$ 6 months and $\leq$ 6 years of age
Folic Acid Supplements	For female members $\leq$ 55 years of age. Quantity Limit of 100
Tobacco Cessation	For members > 18 years of age. Annual Limit: 2 cycles of treatment (12 weeks/cycle)
Routine Vaccinations for Children & Adults	
All FDA approved contraceptive methods	Coverage limited to The Plan's custom list
Breast Cancer Prevention	Tamoxifen, raloxiphen
Vitamin D Supplementation	For members $\geq$ 65 years of age

- No limit on Wellness
- No Yearly or Lifetime \$ Limits
- Bariatric Surgery Program
- Chemical Dependency Program
- Free On-Line Medical Experts via eDocAmerica

Includes free unlimited on-line access for anyone in member's family to physicians, nutritionists, dentists, psychologists, etc.

Weekly tips, Healthy Lifestyle Assessment tools and more.

- Great Pharmacy Benefits
  1. \$4 Generic Co-pays at Align Pharmacies
  2. \$5 Co-pay for OTC Medications (anti-ulcer & antihistamines)
  3. \$10, \$30, \$50 Co-pays for generic, preferred, non-preferred
  4. Specialty Pharmacy – for high cost drugs
  5. Free Glucose Monitor and Diabetic Testing Supplies
- Free COBRA Administration

- Partnered with American Fidelity Assurance Company

1. *Voluntary Benefits*
  - a. Disability Income
  - b. Cancer Insurance
  - c. Individual Life
  - d. Accident Only
2. *Section 125 Administration Services*
3. *PPACA Expertise*

***BTW! In your tote bags you will find:***

- ❖ *2015 Plan Booklet – make copies if you like or go on line at [www.arml.org](http://www.arml.org)*
- ❖ *2015 SBC – these should have been handed out to your employees*
- ❖ *Other 2015 Plan Booklet changes – mostly to clarify provisions*
- ❖ *2015 Reference Pricing Guide to take to Doctor when getting meds  
(this list and others on the website may change periodically, so please check back at least each quarter)*
- ❖ *2015 Precertification List – but call to be sure as it is not all inclusive*



# The Patient Protection and Affordable Care Act

## 2016 Implementation Helps for Arkansas Cities and Towns

**Information reporting for minimum essential coverage**

and

**Electronic furnishing of statements**

A presentation of materials to attendees of the Arkansas Municipal  
League's Health/Wellness Seminar, November 7, 2014  
by J. Chris Bradley, Attorney at Law

**Department of the Treasury (Internal Revenue Service)**

**Rule for the Implementation of**

**Information Reporting for Minimum Essential Coverage**

**and**

**Electronic Furnishing of Statements Under the**

**Patient Protection and Affordable Care Act**

The Affordable Care Act added section 6055 to the Internal Revenue Code, which provides that every provider of minimum essential coverage will report coverage information by filing an information return with the IRS and furnishing a statement to individuals.

The information is used by the IRS to administer and individuals to show compliance with the individual shared responsibility provision in section 5000A. The Affordable Care Act imposes responsibilities upon Employers to share in the costs of health care coverage for employees. The portion of the Affordable Care Act (ACA) imposing these responsibilities is codified in the United States Code at 26 USC §6055-1 and 2.

Reporting under section 6055 is required of all insurers and self-insured group plans that provide minimum essential coverage to individuals. See 26 C.F.R. § 1.6055-1(a); 79 Fed. Reg. 13220. Under self-insured group health plans, an employer pays the costs of medical coverage directly rather than contracting out to an insurance company for health care coverage. Only reporting on minimum essential coverage, as defined in the ACA, is required, and insurers are not required to report on arrangements that provide supplemental benefits.

**DISCLAIMER**

**THE INFORMATION PROVIDED IS INTENDED TO BE A RESTATEMENT OF AND A GENERAL SUMMARY OF INFORMATION TAKEN FROM MATERIALS FOUND AT 26 C.F.R. § 1.6055-1 and 2. THIS INFORMATION IS NOT INTENDED TO TAKE THE PLACE OF THE WRITTEN LAW, REGULATION S, OR CONSULTATION WITH YOUR ENTITY'S LEGAL COUNSEL.**

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**Information reporting for minimum essential coverage –  
29 CFR §1.6055-1**

**(a) *Information reporting requirement.***

Every person that provides minimum essential coverage to an individual during a calendar year must file an information return and transmittal and furnish statements to responsible individuals on forms prescribed by the Internal Revenue Service.

**(b) *Definitions—***

(1) *In general.* The definitions in this paragraph (b) apply for purposes of this section.

(2) *Affordable Care Act.* The term *Affordable Care Act* refers to the Patient Protection and Affordable Care Act, Public Law 111-148 (124 Stat. 119 (2010)), and the Health Care and Education Reconciliation Act of 2010, Public Law 111-152 (124 Stat. 1029 (2010)), and amendments to those acts.

(3) *ERISA.* The term *ERISA* means the Employee Retirement Income Security Act of 1974, as amended (29 U.S.C. 1001 et seq.).

(4) *Exchange.* *Exchange* has the same meaning as in 45 CFR 155.20.

(5) *Government employer.* The term *government employer* means an employer that is a governmental unit or an agency or instrumentality of a governmental unit.

(6) *Governmental unit.* The term *governmental unit* refers to the government of the United States, any State or political subdivision of a State, or any Indian tribal government (as defined in section 7701(a)(40)) or subdivision of an Indian tribal government (as defined in section 7871(d)).

(7) *Agency or instrumentality of a governmental unit.* [Reserved]

(8) *Minimum essential coverage.* *Minimum essential coverage* is defined in section 5000A(f) and regulations issued under that section.

(9) *Qualified health plan*. The term *qualified health plan* has the same meaning as in section 1301(a) of the Affordable Care Act (42 U.S.C. 18021(a)).

(10) *Reporting entity*. A *reporting entity* is any person that must report, under section 6055 and this section, minimum essential coverage provided to an individual.

(11) *Responsible individual*. The term *responsible individual* includes a primary insured, employee, former employee, uniformed services sponsor, parent, or other related person named on an application who enrolls one or more individuals, including him or herself, in minimum essential coverage.

(12) *Taxpayer identification number*. The term *taxpayer identification number* (TIN) has the same meaning as in section 7701(a)(41).

(c) *Persons required to report—*

(1) *In general*.

The following persons must file the information return and transmittal form required under paragraph (a) of this section to report minimum essential coverage —

- (i) Health insurance issuers, or carriers (as used in 5 U.S.C. 8901), for all insured coverage, except as provided in paragraph (c)(3)(ii) of this section;
- (ii) Plan sponsors of self-insured group health plan coverage;
- (iii) The executive department or agency of a governmental unit that provides coverage under a government-sponsored program (within the meaning of section 5000A(f)(1)(A)); and
- (iv) Any other person that provides minimum essential coverage to an individual.

(2) *Plan sponsors of self-insured group health plan coverage —*

(i) *In general.*

For purposes of this section, a plan sponsor of self-insured group health plan coverage is —

(A) The employer for a self-insured group health plan or arrangement established or maintained by a single employer (determined without application of section 414(b), (c), (m) or (o) in the case of an employer described in paragraph (f)(2)(i) of this section), including each participating employer with respect to a self-insured group health plan or arrangement established or maintained by more than one employer (and not including a multiemployer plan as defined in section 3(37) of ERISA or a Multiple Employer Welfare Arrangement as defined in section 3(40) of ERISA);

~~(B) The association, committee, joint board of trustees, or other similar group of representatives of the parties who establish or maintain the plan for a self-insured group health plan or arrangement that is a multiemployer plan (as defined in section 3(37) of ERISA).~~

~~(C) The employee organization for a self-insured group health plan or arrangement maintained solely by an employee organization;~~

~~(D) Each participating employer for a self-insured group health plan or arrangement maintained by a Multiple Employer Welfare Arrangement (as defined in section 3(40) of ERISA) with respect to the participating employer's own employees; and~~

(E) For a self-insured group health plan or arrangement for which a plan sponsor is not otherwise identified in paragraphs (c)(2)(i)(A) through (c)(2)(i)(D) of this section, the person designated by plan terms as the plan sponsor or plan administrator or, if no person is designated as the administrator and a plan sponsor cannot be identified, each entity that maintains the plan or arrangement.

(ii) *Government employers.*

Unless otherwise provided by statute or regulation, **a government employer that maintains a self-insured group health plan or arrangement may enter into a written agreement with another governmental unit, or an agency or instrumentality of a governmental unit, that designates the other governmental unit, agency, or instrumentality as the person required to file the returns and to furnish the statements required by this section for some or all of the individuals receiving minimum essential coverage under that plan or arrangement.**

The designated governmental unit, agency, or instrumentality must be part of or related to the same governmental unit as the government employer (for example, a political subdivision of a State may designate the State or another political subdivision of the state) and agree to the designation.

*The government employer must make or revoke the designation before the earlier of the deadline for filing the returns or furnishing the statements required by this section and must retain a copy of the designation in its books and records. If the requirements of this paragraph (c)(2)(ii) are met, the designated governmental unit, agency, or instrumentality is the sponsor under paragraph (c)(2)(i) of this section. If no entity is designated, the government employer that maintains the self-insured group health plan or arrangement is the sponsor under paragraph (c)(2)(i) of this section.*

*(3) Special rules for government-sponsored programs – N/A*

*(d) Reporting not required – N/A*

(3) *Individuals not enrolled in coverage.* No reporting is required under this section for coverage offered to individuals who do not enroll.

(e) *Information required to be reported to the Internal Revenue Service —*

(1) *In general.*

All information returns required by this section must report the following information for the calendar year of coverage —

(i) The name, address, and employer identification number (EIN) of the reporting entity required to file the return;

(ii) The name, address, and TIN, or date of birth if a TIN is not available, of the responsible individual, except that reporting entities may but are not required to report the TIN of a responsible individual not enrolled in the coverage;

(iii) The name and TIN, or date of birth if a TIN is not available, of each individual who is covered under the policy or program;

(iv) For each covered individual, the months for which, for at least one day, the individual was enrolled in coverage and entitled to receive benefits; and

(v) Any other information specified in forms, instructions, or published guidance, see §§601.601(d) and 601.602 of this chapter.

(2) *Information relating to employer-provided coverage – N/A*

(f) *Time and manner for filing return —*

(1) *In general.*

A reporting entity must file the return and transmittal form required under paragraph (a) of this section on or before February 28 (March 31 if filed electronically) of the year following the calendar year in which it provided minimum essential coverage to an individual. A reporting entity must file the return and transmittal form as specified in forms or instructions. For extensions of time for filing returns under this section see §§1.6081-1 and 1.6081-8. See §301.6011-2 of this chapter for rules relating to electronic filing.



(2) *Form of return —*

(i) *Applicable large employer members.*

A reporting entity that is reporting under section 6055 as an applicable large employer member (as defined in §54.4980H-1(a)(5) of this chapter) makes the return required under this paragraph (f) on Form 1094-C and Form 1095-C or other form designated by the Internal Revenue Service.

(ii) *Reporting entities not reporting as applicable large employer members.*

Entities reporting as health insurance issuers or carriers, sponsors of self-insured group health plans that are not reporting as applicable large employer members, sponsors of multiemployer plans, and providers of government-sponsored coverage, will report under section 6055 on Form 1094-B and Form 1095-B or other form designated by the Internal Revenue Service.

(iii) *Substitute forms.*

Reporting entities may make the return required under this paragraph (f) on a substitute form. A substitute form must comply with revenue procedures or other published guidance (see §601.601(d)(2) of this chapter) that apply to substitute forms.

(g) *Statements to be furnished to responsible individuals —*

(1) *In general.*

Every person required to file a return under this section **must furnish to the responsible individual identified on the return a written statement**. For purposes of the penalty under section 6722, furnishing a statement to the responsible individual is treated as furnishing a statement to the payee. The statement must show —

(i) **The phone number for a person designated as the reporting entity's contact person and policy number, if any; and**

(ii) Information described in paragraph (e) of this section required to be shown on the section 6055 return for the responsible individual and each covered individual listed on the return.

*(2) Statements for individuals other than the responsible individual.*

A reporting entity is not required to provide a statement described in paragraph (g)(1) of this section to an individual who is not the responsible individual.

*(3) Form of the statement.*

A statement required under this paragraph (g) may be **made either by furnishing to the responsible individual a copy of the return filed with the Internal Revenue Service or on a substitute statement.** A substitute statement must include the information required to be shown on the return filed with the Internal Revenue Service and must comply with requirements in published guidance (see §601.601(d)(2) of this chapter) relating to substitute statements. An Internal Revenue Service truncated taxpayer identification number may be used as the identification number for an individual in lieu of the identification number appearing on the corresponding information return filed with the Internal Revenue Service.

*(4) Time and manner for furnishing statements —*

*(i) Time for furnishing —*

*(A) In general.*

**A reporting entity must furnish the statements required under this paragraph (g) on or before January 31 of the year following the calendar year in which minimum essential coverage is provided.**

*(B) Extensions of time —*

*(1) In general.*

For good cause upon written application of the person required to furnish statements under this section, the Internal Revenue Service may grant an extension of time not exceeding 30 days in which to furnish these

statements. The application must be addressed to the Internal Revenue Service, and must contain a full recital of the reasons for requesting the extension to aid the Internal Revenue Service in determining the period of the extension, if any, that will be granted. A request in the form of a letter to the Internal Revenue Service, signed by the applicant, suffices as an application. The application must be filed on or before the date prescribed in paragraph (g)(4)(i)(A) of this section.

(2) *Automatic extension of time.*

The Commissioner may, in appropriate cases, prescribe additional guidance or procedures, published in the Internal Revenue Bulletin (see §601.601(d)(2) of this chapter), for automatic extensions of time to furnish to one or more individuals the statement required under section 6055.

(ii) *Manner of furnishing.*

**If mailed, the statement must be sent to the responsible individual's last known permanent address or, if no permanent address is known, to the individual's temporary address.** For purposes of this paragraph (g)(4), a reporting entity's first class mailing to the last known permanent address, or if no permanent address is known, the temporary address, discharges the requirement to furnish the statement. A reporting entity may furnish the statement electronically if the requirements of §1.6055-2 are satisfied.

(h) *Penalties —*

(1) *In general.*

For provisions relating to the penalty for failure to file timely a correct information return required under section 6055, see section 6721 and the regulations under that section. For provisions relating to the penalty for failure to furnish timely a correct statement to responsible individuals required under section 6055, see section 6722 and the regulations under that section. See section 6724 and the regulations under that section for rules relating to the waiver of penalties if a failure to file timely or accurately is due to reasonable cause and is not due to willful neglect.

*(2) Application of section 6721 and 6722 penalties to section 6055 reporting.*

For purposes of section 6055 reporting, if the information reported on a return (including a transmittal) or a statement required by this section is incomplete or incorrect as a result of a change in circumstances (such as a retroactive change in coverage), a failure to timely file or furnish a corrected document is a failure to file or furnish a correct return or statement under sections 6721 and 6722.

(i) [Reserved]

(j) *Effective/applicability date.*

This section applies for calendar years beginning after December 31, 2014. Reporting entities will not be subject to penalties under section 6721 or 6722 for failure to comply with the section 6055 reporting requirements for coverage in 2014 (for information returns filed and statements furnished in 2015).  
[T.D. 9660, 79 FR 13227, Mar. 10, 2014; 79 FR 24331, Apr. 30, 2014]

## **Electronic furnishing of statements –**

### **29 CFR §1.6055-2**

#### *(a) Electronic furnishing of statements –*

##### *(1) In general.*

A person required by section 6055 to furnish a statement (furnisher) to a responsible individual (a recipient) may furnish the statement in an electronic format in lieu of a paper format. A furnisher who meets the requirements of paragraphs (a)(2) through (a)(6) of this section is treated as furnishing the statement in a timely manner.

##### *(2) Consent –*

###### *(i) In general.*

The recipient must have affirmatively consented to receive the statement in an electronic format. The consent may be made electronically in any manner that reasonably demonstrates that the recipient can access the statement in the electronic format in which it will be furnished. Alternatively, the consent may be made in a paper document that is confirmed electronically.

###### *(ii) Withdrawal of consent.*

The consent requirement of this paragraph (a)(2) is not satisfied if the recipient withdraws the consent and the withdrawal takes effect before the statement is furnished. The furnisher may provide that a withdrawal of consent takes effect either on the date the furnisher receives it or on another date no more than 60 days later. The furnisher also may provide that a recipient's request for a paper statement will be treated as a withdrawal of the recipient's consent.

###### *(iii) Change in hardware or software requirements.*

If a change in the hardware or software required to access the statement creates a material risk that the recipient will not be able to access a statement, a furnisher must, prior to changing the hardware or software, notify the recipient. The notice must describe the revised hardware and software required to access the statement and inform the recipient that a new consent to receive the statement in the revised electronic format must be provided to the furnisher. After implementing the revised hardware or software, the furnisher must obtain from the recipient, in the manner described in paragraph (a)(2)(ii) of this section, a new consent or confirmation of consent to receive the statement electronically.

(iv) *Examples.*

The following examples illustrate the rules of this paragraph (a)(2):

*Example 1.*

Furnisher F sends Recipient R a letter stating that R may consent to receive the statement required under section 6055 electronically on a Web site instead of in a paper format. The letter contains instructions explaining how to consent to receive the statement electronically by accessing the Web site, downloading and completing the consent document, and emailing the completed consent back to F. The consent document posted on the Web site uses the same electronic format that F will use for the electronically furnished statement. R reads the instructions and submits the consent in the manner provided in the instructions. R has consented to receive the statement required under section 6055 electronically in the manner described in paragraph (a)(2)(i) of this section.

*Example 2.*

Furnisher F sends Recipient R an email stating that R may consent to receive the statement required under section 6055 electronically instead of in a paper format. The email contains an attachment instructing R how to consent to receive the statement electronically. The email attachment uses the same electronic format that F will use for the electronically furnished statement. R opens the attachment, reads the instructions, and submits the consent in the manner provided in the instructions. R has consented to receive the statement required under section 6055 electronically in the manner described in paragraph (a)(2)(i) of this section.

*Example 3.*

Furnisher F posts a notice on its Web site stating that Recipient R may receive the statement required under section 6055 electronically instead of in a paper format. The Web site contains instructions on how R may access a secure Web page and consent to receive the statement electronically. The consent via the secure Web page uses the same electronic format that F will use for electronically furnishing the statement. R accesses the secure Web page and follows the instructions for giving consent. R has consented to receive the statement required under section 6055 electronically in the manner described in paragraph (a)(2)(i) of this section.

(3) *Required disclosures —*

(i) *In general.*

Prior to, or at the time of, a recipient's consent, a furnisher must provide to the recipient a clear and conspicuous disclosure statement containing each of the disclosures described in this paragraph (a)(3).

(ii) *Paper statement.*

The furnisher must inform the recipient that the statement will be furnished on paper if the recipient does not consent to receive it electronically.

(iii) *Scope and duration of consent.*

The furnisher must inform the recipient of the scope and duration of the consent. For example, the recipient must be informed whether the consent applies to each statement required to be furnished after the consent is given until it is withdrawn or only to the first statement required to be furnished following the date of the consent.

(iv) *Post-consent request for a paper statement.*

The furnisher must inform the recipient of any procedure for obtaining a paper copy of the recipient's statement after giving the consent described in paragraph (a)(2)(i) of this section and whether a request for a paper statement will be treated as a withdrawal of consent.

(v) *Withdrawal of consent.*

The furnisher must inform the recipient that —

(A) The recipient may withdraw a consent by writing (electronically or on paper) to the person or department whose name, mailing address, telephone number, and email address is provided in the disclosure statement;

(B) The furnisher will confirm the withdrawal and the date on which it takes effect in writing (either electronically or on paper); and

(C) A withdrawal of consent does not apply to a statement that was furnished electronically in the manner described in this paragraph (a) before the date on which the withdrawal of consent takes effect.

(vi) *Notice of termination.*

The furnisher must inform the recipient of the conditions under which the furnisher will cease furnishing statements electronically to the recipient (for example, termination of the recipient's employment with a furnisher who is the recipient's employer).

(vii) *Updating information.*

The furnisher must inform the recipient of the procedures for updating the information needed to contact the recipient. The furnisher must inform the recipient of any change in the furnisher's contact information.

(viii) *Hardware and software requirements.*

The furnisher must provide the recipient with a description of the hardware and software required to access, print, and retain the statement, and the date when the statement will no longer be available on the Web site. The furnisher must advise the recipient that the statement may be required to be printed and attached to a Federal, State, or local income tax return.

(4) *Format.*

The electronic version of the statement must contain all required information and comply with applicable published guidance (see §601.601(d) of this chapter) relating to substitute statements to recipients.

(5) *Notice —*

(i) *In general.*

If a statement is furnished on a Web site, the furnisher must notify the recipient. The notice may be delivered by mail, electronic mail, or in person. The notice must provide instructions on how to access and print the statement and include the following statement in capital letters, "IMPORTANT TAX RETURN DOCUMENT AVAILABLE." If the notice is provided by electronic mail, this statement must be on the subject line of the electronic mail.

(ii) *Undeliverable electronic address.*

If an electronic notice described in paragraph (a)(5)(i) of this section is returned as undeliverable, and the furnisher cannot obtain the correct electronic address from the furnisher's records or from the recipient, the furnisher must



furnish the notice by mail or in person within 30 days after the electronic notice is returned.

(iii) *Corrected statement.*

If the furnisher has corrected a recipient's statement and the original statement was furnished electronically, the furnisher must furnish a corrected statement to the recipient electronically. If the original statement was furnished through a Web site posting, the furnisher must notify the recipient that it has posted the corrected statement on the Web site in the manner described in paragraph (a)(5)(i) of this section within 30 days of the posting. The corrected statement or the notice must be furnished by mail or in person if –

(A) An electronic notice of the Web site posting of an original statement or the corrected statement was returned as undeliverable; and

(B) The recipient has not provided a new email address.

(6) *Access period.*

Statements furnished on a Web site must be retained on the Web site through October 15 of the year following the calendar year to which the statements relate (or the first business day after October 15, if October 15 falls on a Saturday, Sunday, or legal holiday). The furnisher must maintain access to corrected statements that are posted on the Web site through October 15 of the year following the calendar year to which the statements relate (or the first business day after such October 15, if October 15 falls on a Saturday, Sunday, or legal holiday) or the date 90 days after the corrected forms are posted, whichever is later.

(7) *Paper statements after withdrawal of consent.*

A furnisher must furnish a paper statement if a recipient withdraws consent to receive a statement electronically and the withdrawal takes effect before the statement is furnished. A paper statement furnished after the statement due date under this paragraph (a)(7) is timely if furnished within 30 days after the date the furnisher receives the withdrawal of consent.

(b) *Effective/applicability date.*

This section applies for calendar years beginning after December 31, 2014. Reporting entities will not be subject to penalties under section 6722 with respect to the reporting requirements for 2014 (for statements furnished in 2015).

[T.D. 9660, 79 FR 13227, Mar. 10, 2014]



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## New Models of Care

Why I will no longer have to go the  
doctor's office!

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Dr. Charles W. Smith

Director of Primary Care Service Lines, UAMS

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# What is wrong with Medical Care today?

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# Medical System Problem list

- Hassles getting a timely appointment
- Waiting too long in the office to see doctor
- Doctor “does” things without explaining
- Test results not reviewed or explained
- Can’t reach the doctor when I have a question
- Doctor isn’t interested in my “health”
- Unnecessary tests and procedures are done

How would you change it?

# The Future of Medicine is:

- You won't have to go to an office unless you need to
- Doctors who don't get online with patients will not be successful
- Fee for service will gradually go away
- PMPM and outcomes-based reimbursement
- Electronic medical records will be standard
- Patients access results and records and are actively involved in all decisions about them

# New Medical Models/Trends

- Patient and Family Centered Care
- Patient Centered Medical Homes
- Shared Decision-Making
- Accountable Care Organizations
- Participatory Medicine
- Patient Portals

# Comparison of New and Old

## Old World

- Doctor/Provider-Centric
- Authoritarian
- Provider source of info
- Office-based
- Must have appointment
- Results mailed or reviewed in person

## New World

- Patient/Family Centered
- Patient participates in decisions
- Patient encouraged to look up info
- Care anywhere
- Same day, online access
- Results available online



# Patient and Family Centered Care

- Patient satisfaction matters
- Patients need to be actively involved in their own care
  - Shared decision-making
  - Participatory Medicine movement
- Patients are serving on committees
  - Representatives in established committees
  - Patient advisory committees

# Patient Centered Medical Homes

- New model of primary care
- Practice transformation
- NCQA accreditation
- Based on team approach to care
  - Physician
  - Nursing staff
  - Care manager
  - Pharmacists, Social Worker, Behavioral Health
- Prevention is emphasized

# Key Elements of PCMH

- Same day access for appointments
- Online access to records
- After hours access
- Electronic prescribing
- Coordination of care between specialists
- Emphasis on prevention
- Emphasis on evidence-based disease mgmnt

# Accountable Care Organizations

- Providers teaming up to improve quality and lower cost
- At risk or shared savings models
- Requires formalization of ACO entity
- Difficult to organize and operate, so has been limited so far.

# Questions/Comments

Municipal Health Benefit Fund  
Prescription Drug Program  
January 1, 2015 Plan Changes

November 7, 2014

# Clinical Initiatives - Summary

- Quantity Limits / Dosing Guidelines
- Reference Pricing
- Step Therapy
- Prior Authorization
- Exclusion

# How Reference Pricing Works





# Affordable Care Act: Preventive Services

## Effective 1/1/2015

Drugs / Drug Categories	Coverage Parameters
Aspirin to Prevent Cardiovascular Disease	For members $\geq$ 45 years of age. Quantity Limit of 100
Iron Supplementation for Children	For children up to 1 year of age
Oral Fluorides for Children	For children $\geq$ 6 months and $\leq$ 6 years of age
Folic Acid Supplements	For female members $\leq$ 55 years of age. Quantity Limit of 100
Tobacco Cessation	For members > 18 years of age. Annual Limit: 2 cycles of treatment (12 weeks/cycle)
Routine Vaccinations for Children & Adults	
All FDA approved contraceptive methods	Coverage limited to The Plan's custom list and is subject to change
Breast Cancer Prevention	Tamoxifen, raloxiphen
Vitamin D Supplementation	For members $\geq$ 65 years of age

# Affordable Care Act: Pharmacy Stop-Loss Effective 1/1/2015

- Separate stop-loss (maximum out-of-pocket) threshold for pharmacy-related expenditures
- Threshold =       \$2,600 per Individual  
                              \$5,200 per family
- Expenses related to prescription drugs involved in the Plan's reference pricing program or deemed *excluded* from coverage do not apply to the out-of-pocket limit.
- Plan design information is available at:  
[http://www.arml.org/benefit\\_programs.html](http://www.arml.org/benefit_programs.html)

# Evidence-Based Prescription Drug Program (EBRx)

- Located at UAMS College of Pharmacy
- Physician-Only call center
- Staffed with pharmacists and physicians
- Dedicated toll-free number for MHBF:  
—866-785-7935

# BUILDING BENEFIT SOLUTIONS

# Introduction – Who We Are

## About Us – American Fidelity

- Specialize in providing Expense Management services and benefits to public employer groups and employees
- We are the Carrier and Service Provider
- Official Partner with the

**Arkansas Municipal League**

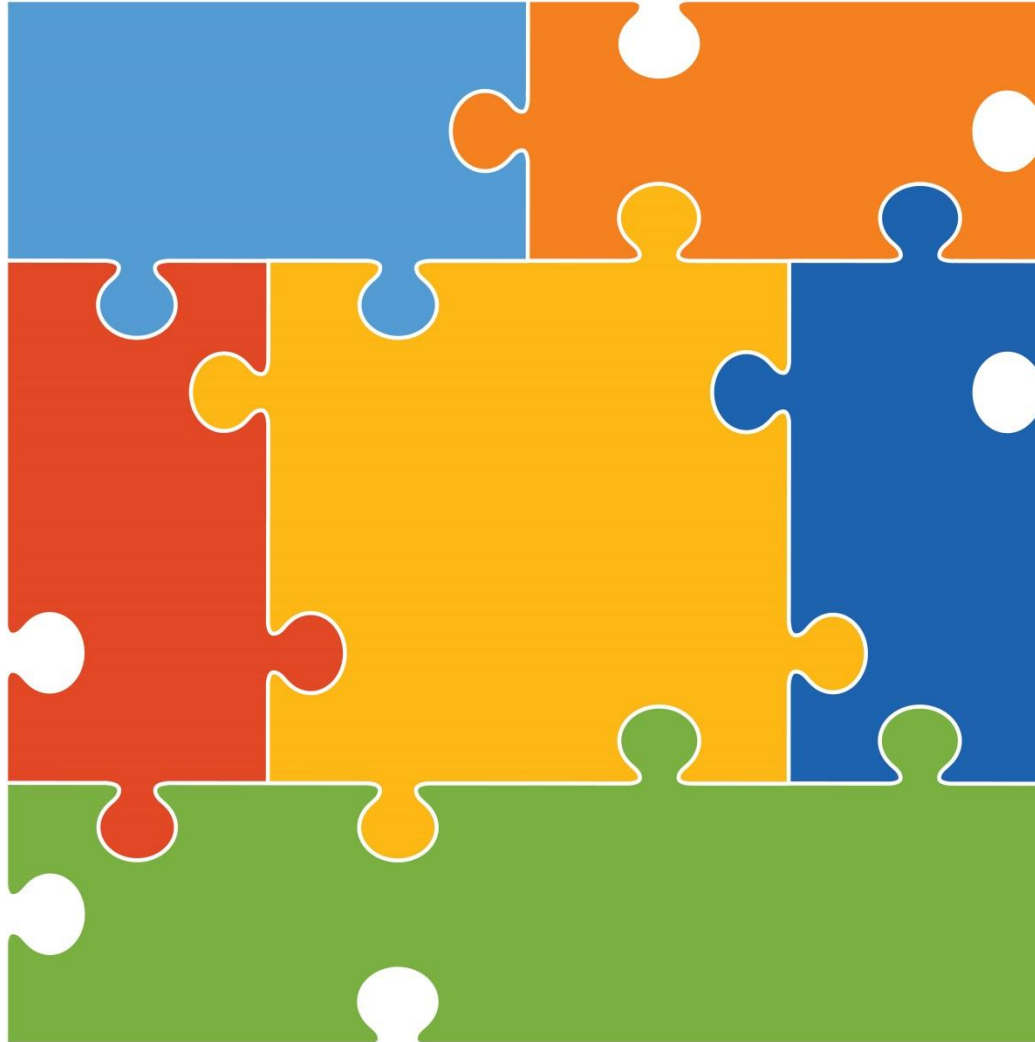
# About American Fidelity

## How We Do It

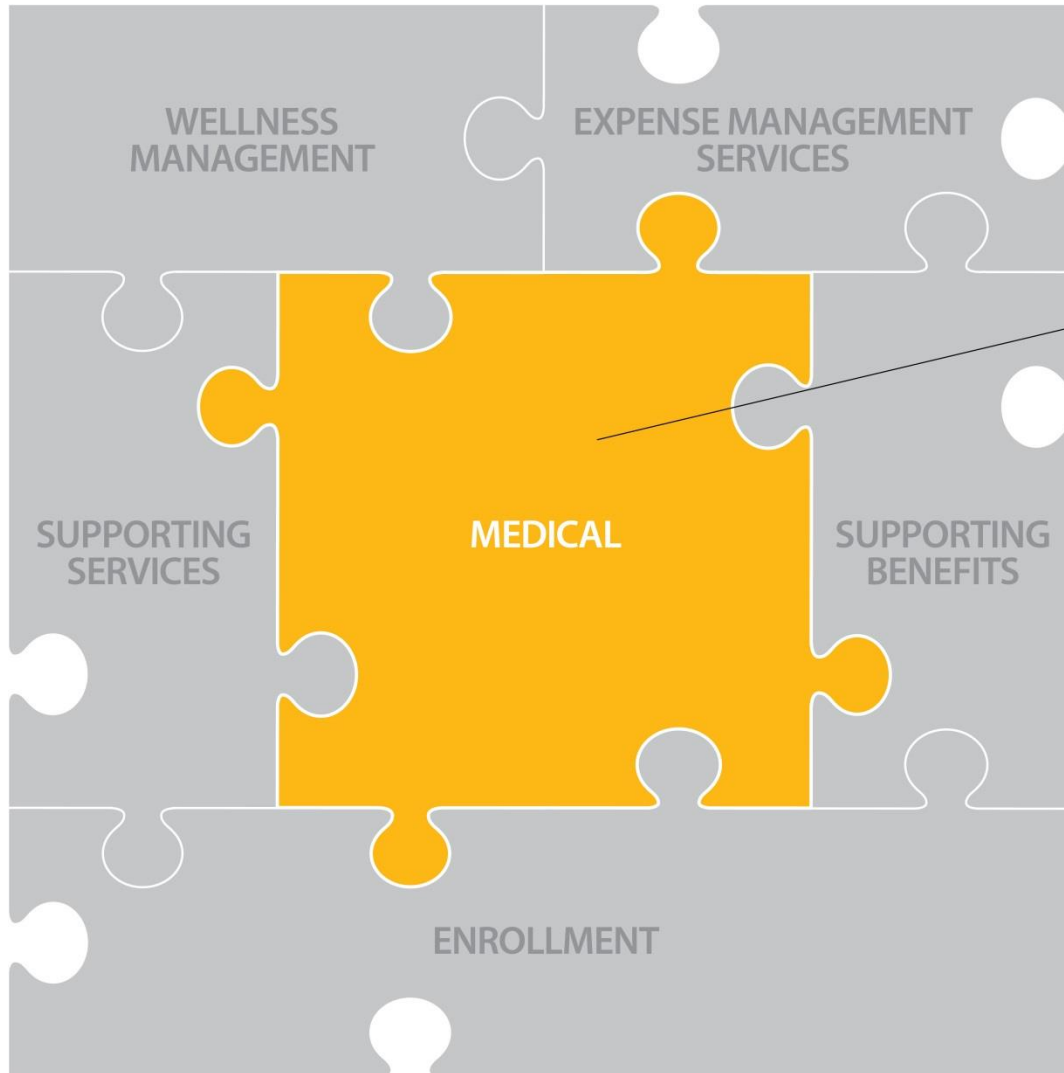
- Niche Market Focus
- Local Salaried, Career Benefit Counselors
- Top Quality Customer Service
- Financial Strength<sup>1</sup>

*1 [www.ambest.com/consumers](http://www.ambest.com/consumers) (April 3, 2012) (A+ is the 2nd out of 16 with 1 being the highest)*

# Driving the Benefit Strategy



# What's Most Important?



**Arkansas  
Municipal  
League MHBF**

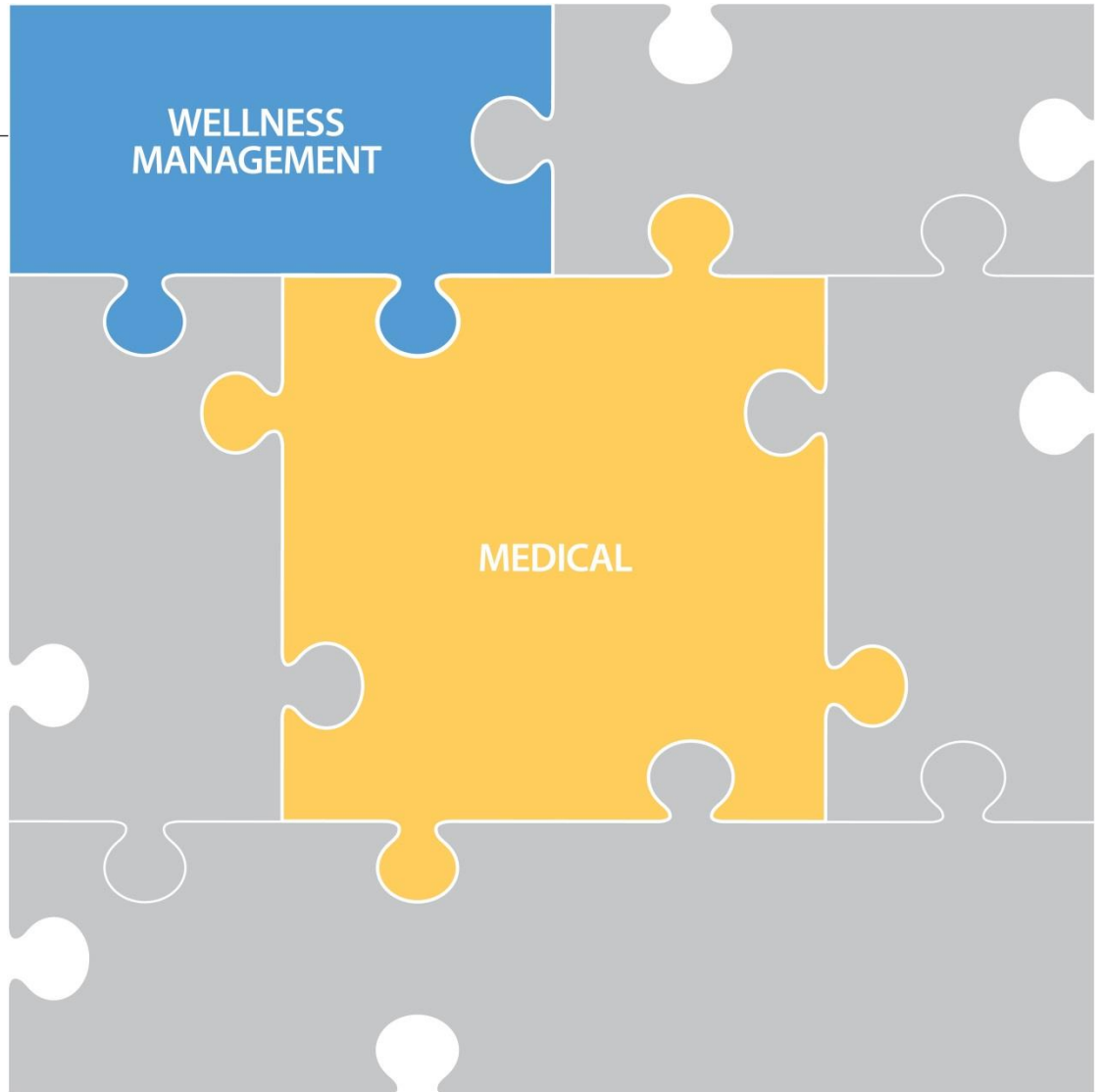
**Dental & Vision**



# Supporting Services



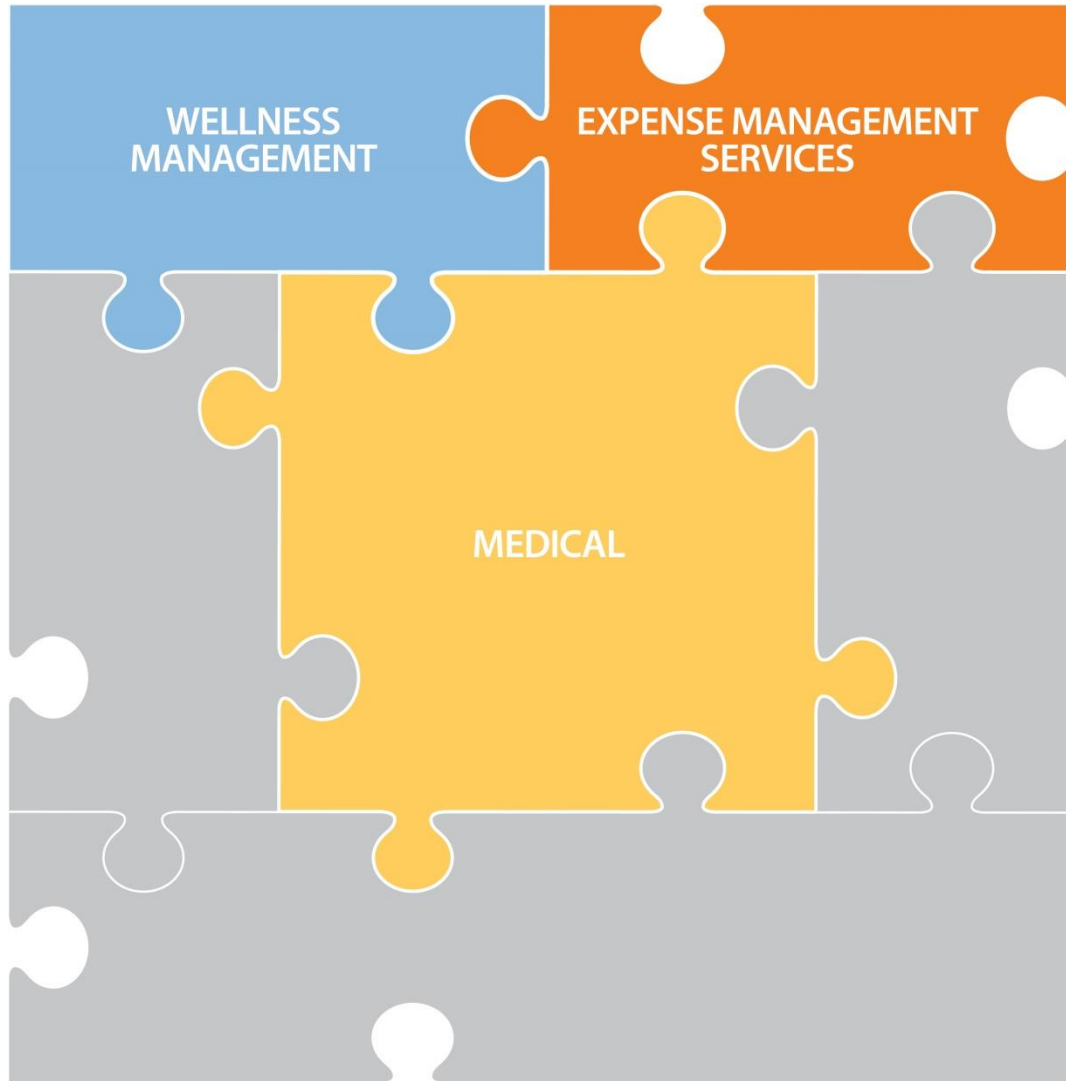
# Wellness Management



**Promoting a  
Healthier  
Workplace**

**Wellness  
Incentives**

# Expense Management Services



**Section 125  
Plans**

**Flexible  
Spending  
Accounts**

**Health  
Reimbursement  
Arrangements**

# Expense Management Services

## Section 125 Plans

- 25 year history with over 7,500 Plans
- Year-round assistance including plan setup, employee education, and enrollment
- Compliance support team with hotline and VIP Email notifications

# Expense Management Services

## Flexible Spending Accounts

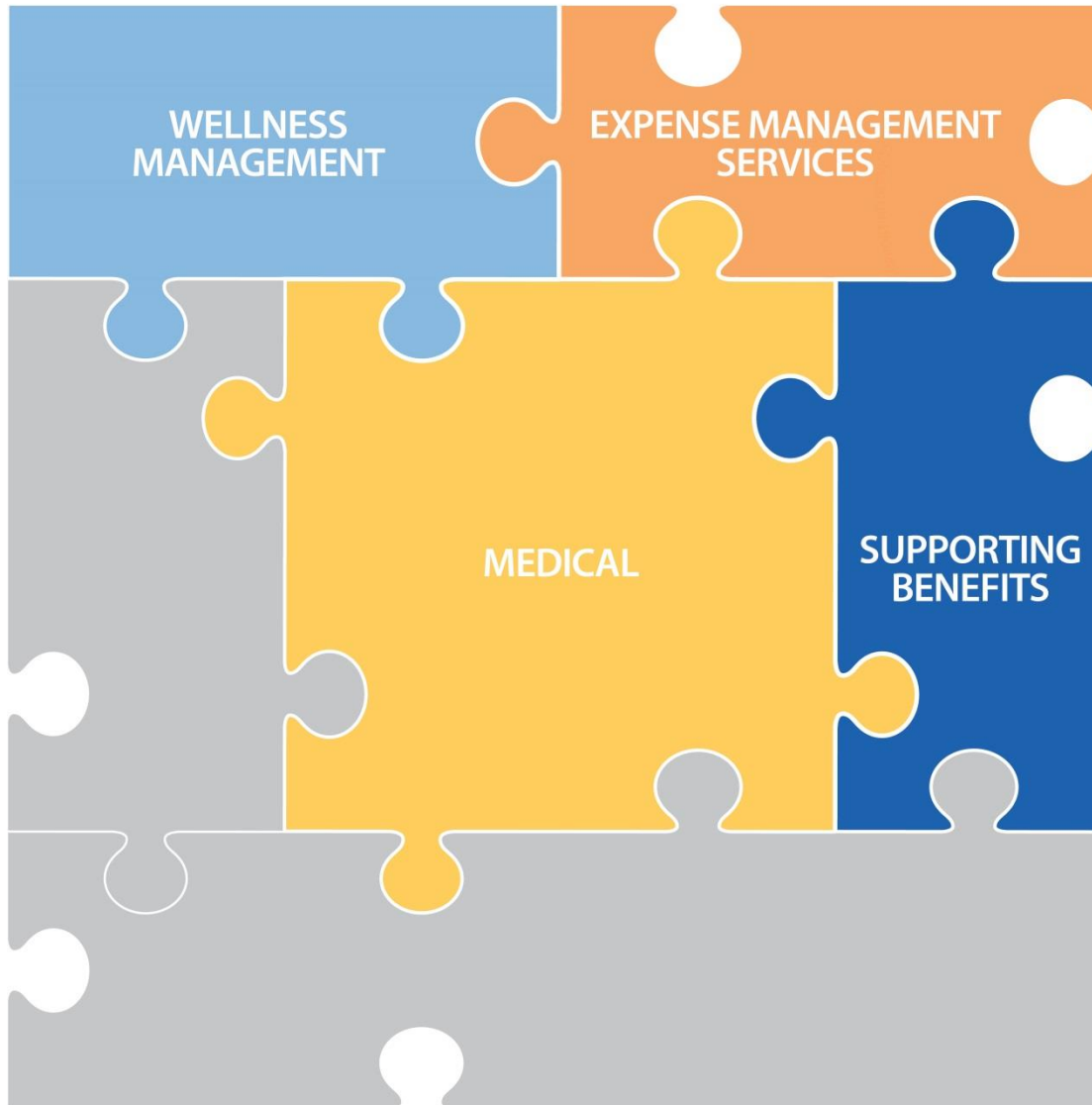
- Employee and employer tax savings
- Uniform Coverage Risk Insurance Plan
- Complimentary debit card and direct deposit
- Online claim submission and mobile app
- Full Flex and Limited Purpose FSA available

# Expense Management Services - Other

## Health Reimbursement Arrangements

- Employers have greater control of their benefit dollars
- Multiple, customizable plan choices
- Flexible plan funding

# Supporting Benefits



- **Disability\***
- **Cancer\*,+**
- **Life\*,\*\***
- **Accident Only\*,+**
- **Critical Illness\*+,++**
- **Hospital GAP PLAN\*,+**

*\* These products may contain limitations, exclusions and waiting periods.*

*\*\* Not generally eligible under Section 125.*

**+ This product is inappropriate for people who are eligible for Medicaid coverage.**

# Supporting Benefits

## Built with the Employee in Mind

- Compliments existing employer core benefits
- Diverse portfolio of voluntary benefits
- Ease of enrollment and simplified underwriting



# Enrollment, Education and Selection

- High Tech
- High Touch
- MHBF Data Exchange



# Enrollment Solutions

## Service Commitment

- Pre-enrollment planning
- Employee education and benefit explanations
- Benefit enrollments
- Post-enrollment review

# Enrollment Solutions

## Full Benefits Enrollment

- Availability to enroll core benefits during one-on-one benefit review
- Single enrollment meeting for employee
- Coordination with MHBF to incorporate their application process
- Data exchange

# Enrollment Solutions

## High Tech / High Touch... Enrollment Platform

- Automated data uploads ensure fast transfer of benefits and billing information
- Benefit elections are recorded directly into system, eliminating manual data entry



Q & A



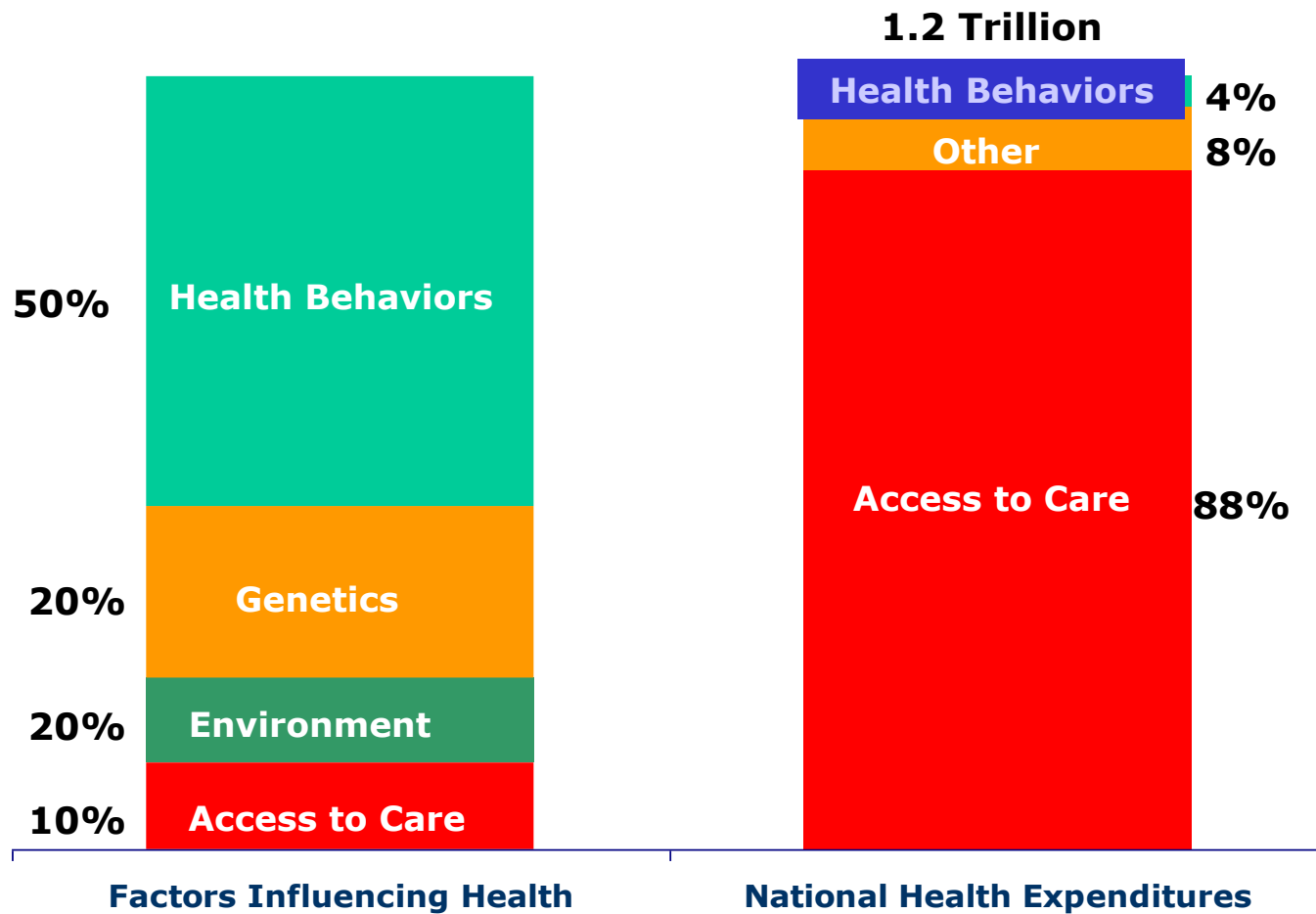
Our Family, Dedicated To Yours.®

# Consequences of Obesity

**David Baxter, ARML Health & Safety Coordinator**

**dbaxter@arml.org**

**501-374-3484 Ext. 110**



Sources: Centers for Disease Control and Prevention, University of California at San Francisco, Institute of the Future, 2000.

# What is obesity?

- A medical condition in which excess **body fat** has accumulated to the extent that it may have a negative effect on health, leading to reduced life expectancy and/or increased health problems.
- Body fat is just stored **energy** waiting to be used!



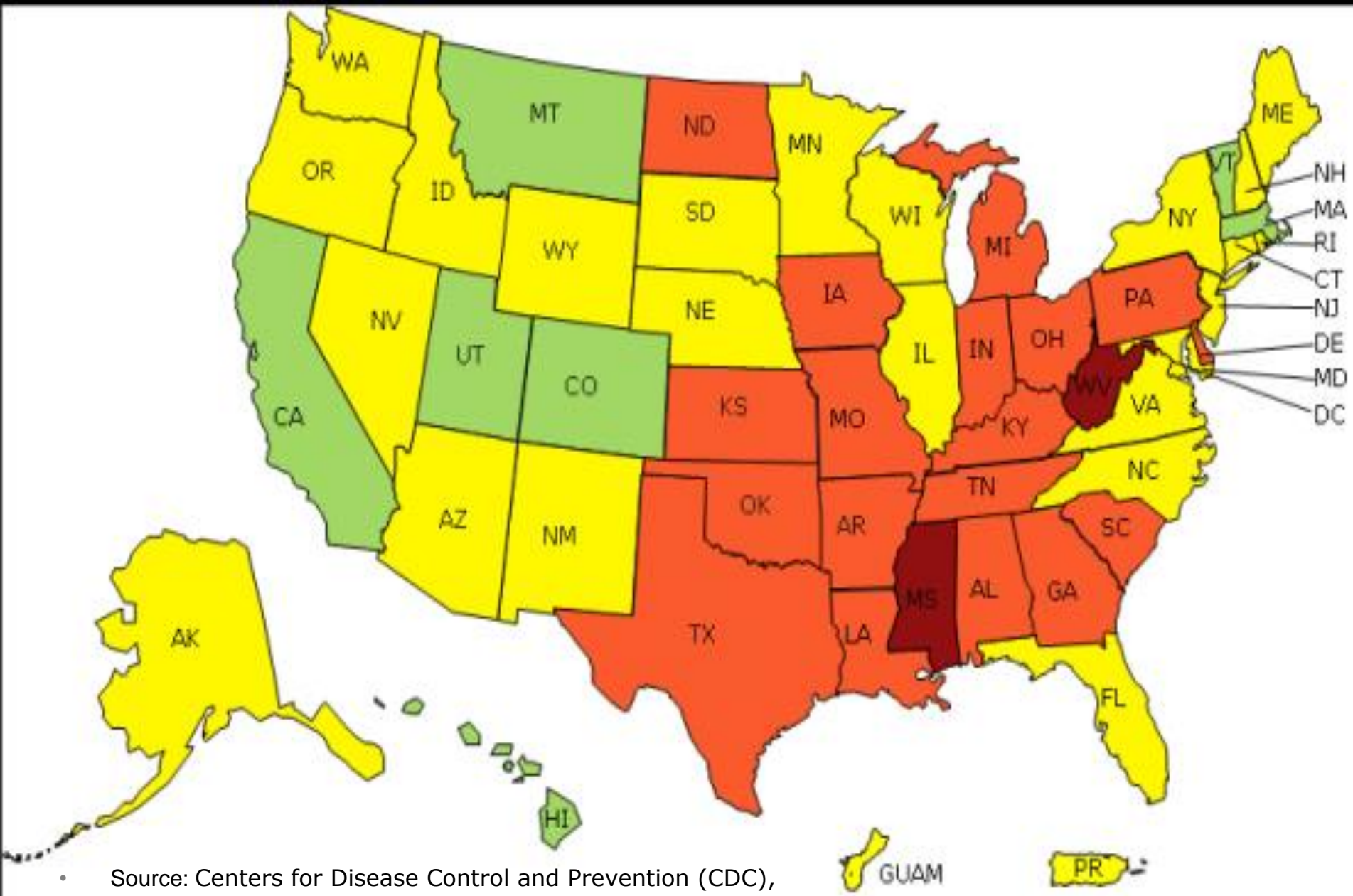
# ***How Bad Is It?***

- More than one-third (34.9% or 78.6 million) of U.S. adults are obese.
- It is the second leading cause of **preventable** death in the U.S.

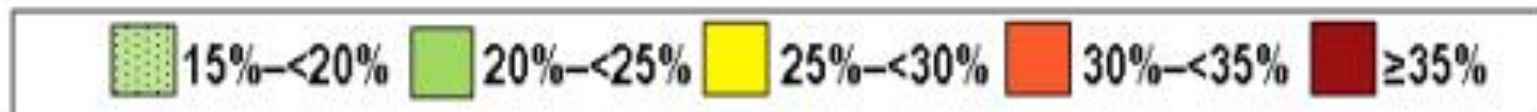
- Source: Centers for Disease Control and Prevention (CDC), 2014.

# ***OBESITY IS THE PROBLEM !***

- Obesity-related conditions include heart disease, stroke, type 2 diabetes and certain types of cancer, some of the leading causes of preventable death.
- The estimated annual medical cost of obesity in the U.S. was \$147 billion in 2008 U.S. dollars; the medical costs for people who are obese were \$1,429 higher than those of normal weight.
- Source: Centers for Disease Control and Prevention (CDC), 2014.



• Source: Centers for Disease Control and Prevention (CDC), 2014.



# Why Has It Become Such A Problem?

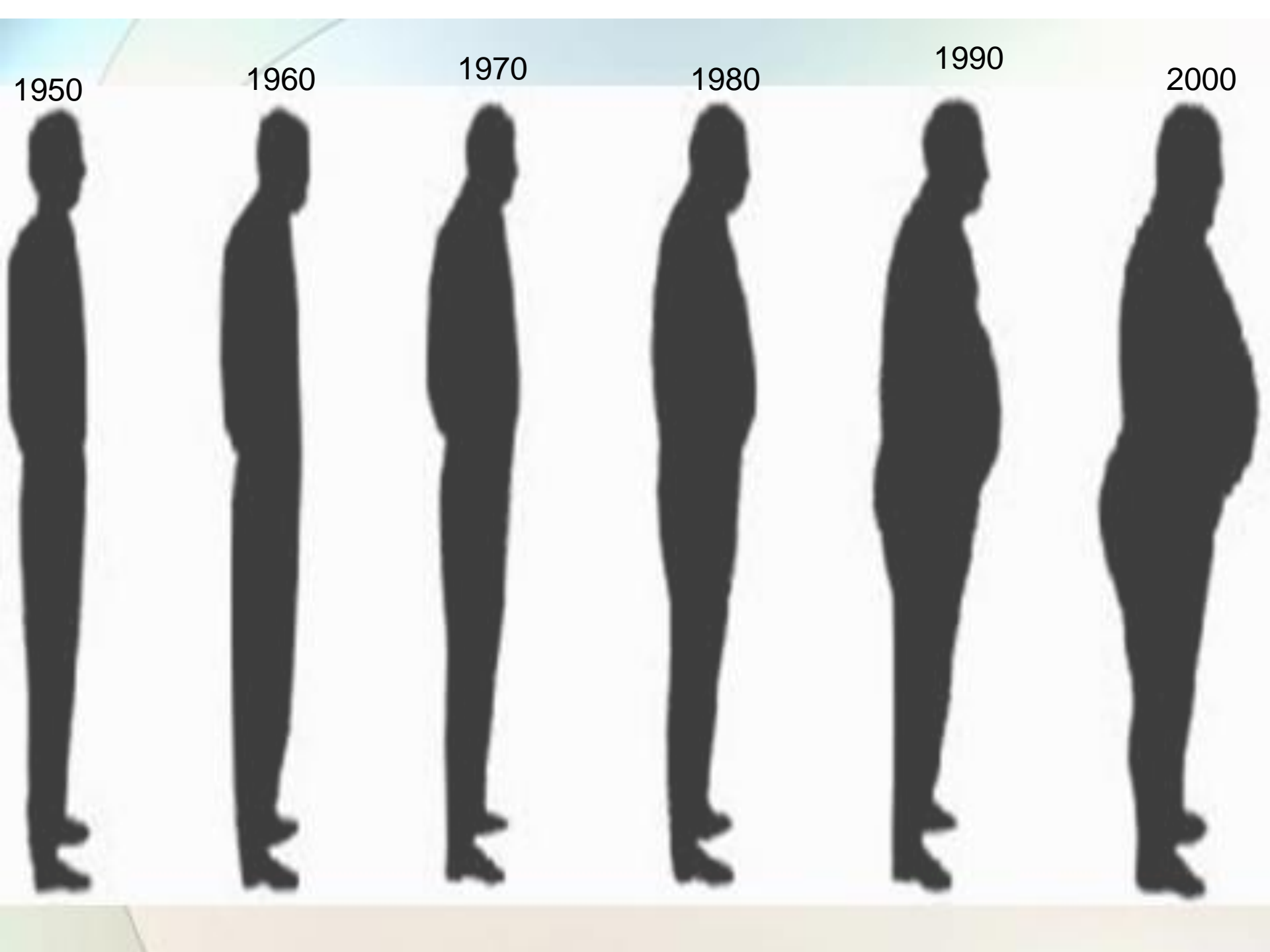
**ALL YOU  
CAN EAT**

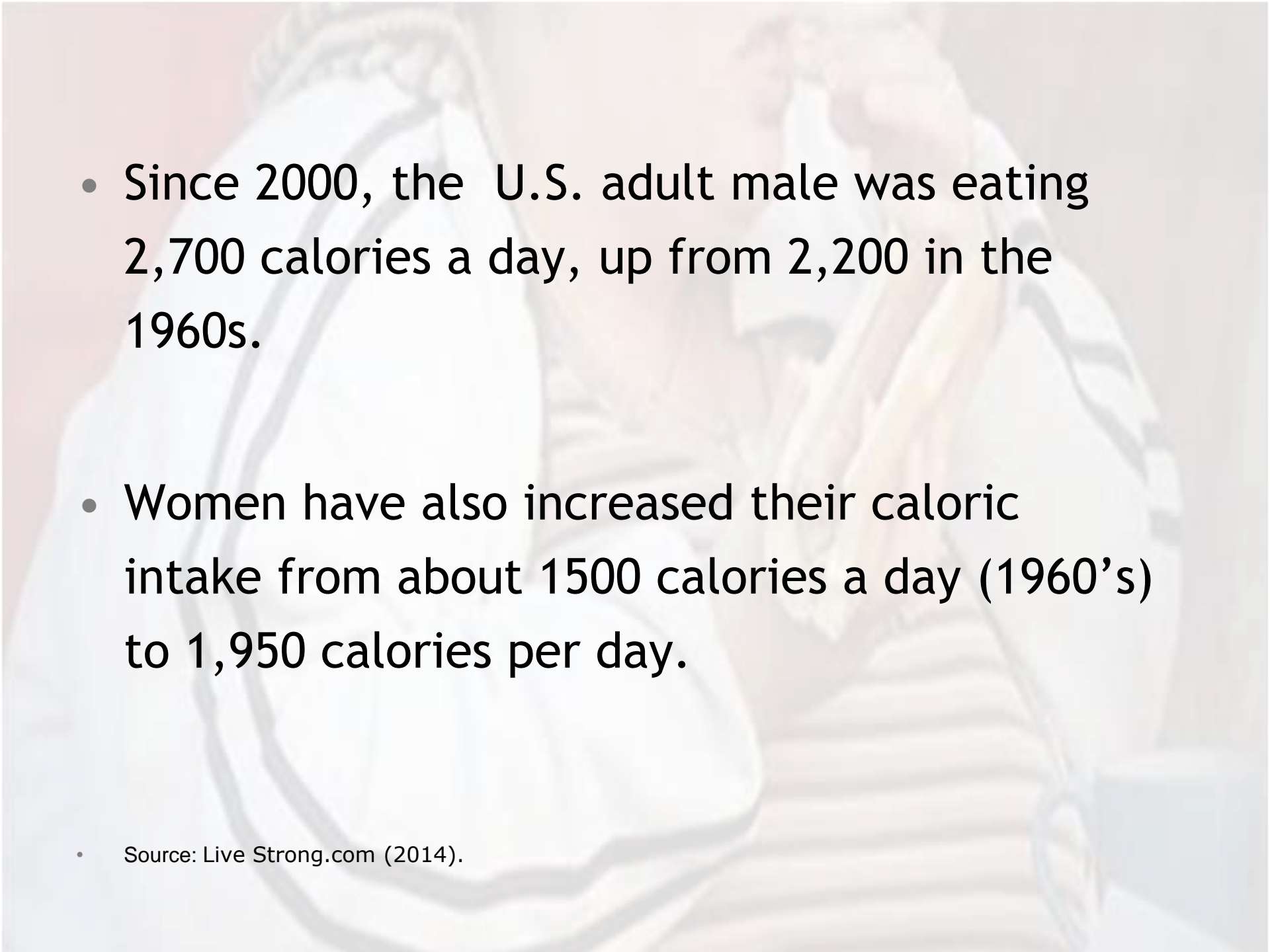
**ALL YOU  
CAN BORROW**



*Our "all you can" culture.*

INKCINCT



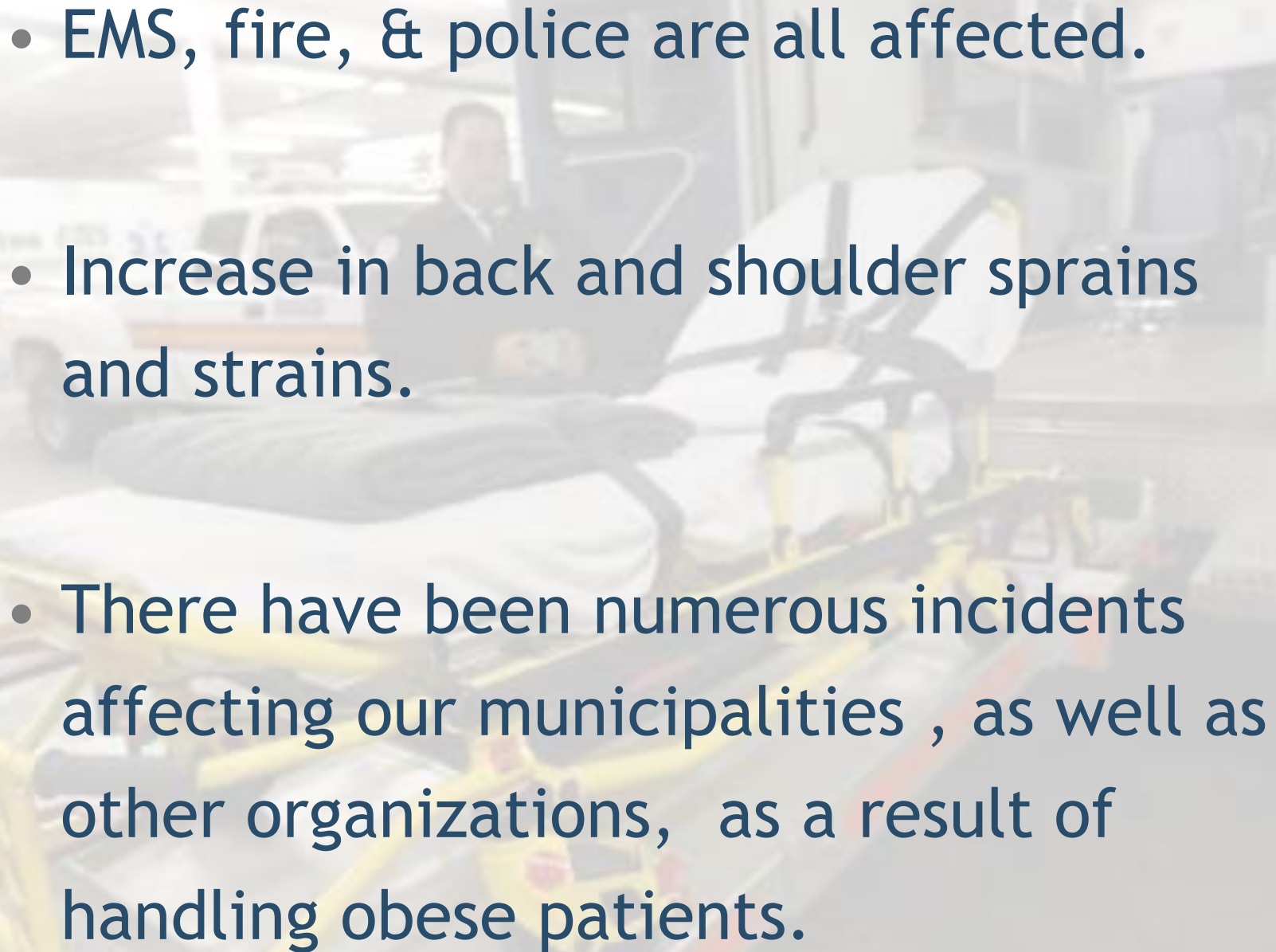
- 
- Since 2000, the U.S. adult male was eating 2,700 calories a day, up from 2,200 in the 1960s.
  - Women have also increased their caloric intake from about 1500 calories a day (1960's) to 1,950 calories per day.



***OBESITY HAS OTHER  
CONSEQUENCES!***

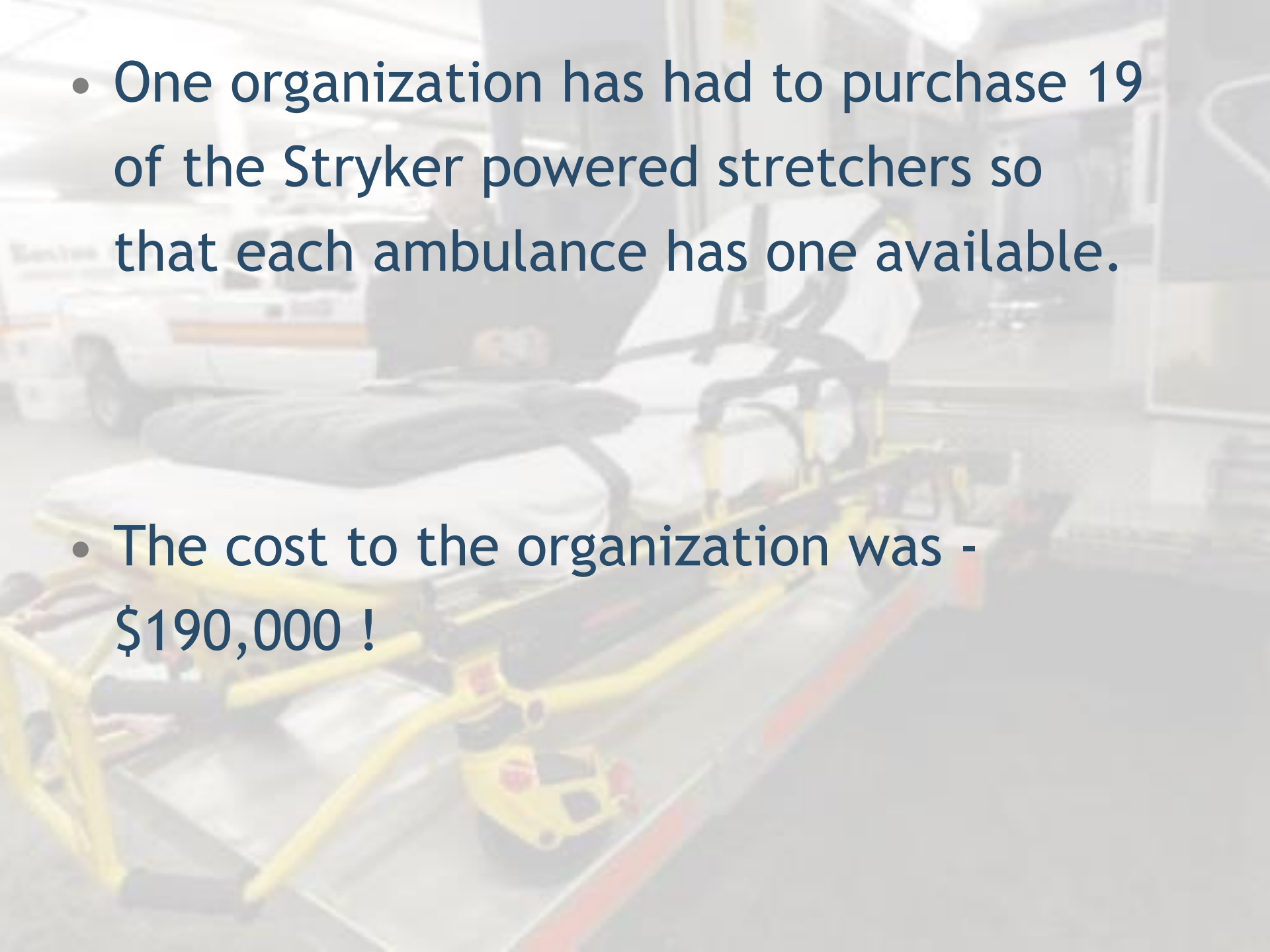




- 
- EMS, fire, & police are all affected.
  - Increase in back and shoulder sprains and strains.
  - There have been numerous incidents affecting our municipalities , as well as other organizations, as a result of handling obese patients.

- One organization has had to purchase 19 of the Stryker powered stretchers so that each ambulance has one available.

- The cost to the organization was - \$190,000 !



# What Can I Do Personally?

- Become more aware of your energy (calories) in versus your energy (calories) out.
- Realize that it takes 3500 calories to = 1 pound.
- Get moving and become aware that it takes a lot of movement to burn off excess calories.

# Avoid Portion Distortion!

## Portion Distortion

20 YEARS AGO

TODAY

DIFFERENCE



333 Calories



590 Calories

**257  
MORE  
CALORIES**

Lifting weights for **1 HOUR AND 30 MINUTES** burns approximately 257 calories\* *\*Based on 130-pound person*



500 Calories



850 Calories

**350  
MORE  
CALORIES**

Playing golf (while walking and carrying your clubs) for **1 HOUR** burns approximately 350 calories\* *\*Based on 160-pound person*



500 Calories



1,025 Calories

**525  
MORE  
CALORIES**

Housecleaning for **2 HOURS AND 35 MINUTES** burns approximately 525 calories\* *\*Based on 130-pound person*

20 YEARS AGO

TODAY

DIFFERENCE



85 Calories



250 Calories

**165  
MORE  
CALORIES**

Working in the garden **35 MINUTES** burns approximately 165 calories\* *\*Based on 160-pound person*



210 Calories



500 Calories

**290  
MORE  
CALORIES**

Vacuuming for **1 HOUR AND 30 MINUTES** burns approximately 290 calories\* *\*Based on 130-pound person*



270 Calories



630 Calories

**360  
MORE  
CALORIES**

Doing water aerobics for **1 HOUR AND 15 MINUTES** burns approximately 360 calories\* *\*Based on 160-pound person*