



Visit our New Website: [www.armitageinonline.com](http://www.armitageinonline.com)

## **March 2012 – Fast Benefits Update – See Below for Details**

- 1) New Neighborhood Family Clinics (3 Locations)
  - Save 60% and A Lot of Time
- 2) Uniform Communication of Benefits due after 3/23/2012 has been postponed.
- 3) Your Money Could be Coming! MLR Premium Rebates Arriving Soon!
- 4) Health Coverage Costs Reporting on W-2's
- 5) Free Prescription Discount Card for La Crosse County Residents
- 6) Workers' Compensation Leading Injuries
- 7) The IRS could soften 2014 employer penalties for uncovered employees.
- 8) Take Advantage of Anthem's Website Resources.
- 9) Please Take a Few Minutes to Visit our New Website!
- 10) Exchanges and 9.5% Test Update Information Available on our Website
  - See White Paper #21 – *Should You Provide Health Insurance in 2014?*
- 11) \$1.00 Fee Due for Self Funded Lives after 9/30/2012.

Please contact us if you have any questions on the above materials. Feel free to forward this information.

Thank you!

Dave Trapp  
Jon Trapp  
Lisa Bradbury  
Armitage Inc.  
608-784-5433

## **March 2012 – Fast Benefits Details**

- 1) Receive high quality, proper cost care at Neighborhood Family Clinics ([www.nfclinics.com](http://www.nfclinics.com)) with locations in Onalaska, La Crosse and Sparta.
  - Save 70% for Hemoglobin A1C. It takes 30 minutes and costs only \$18.00, compared to four hours for \$95.00 at other clinics.
  - Strep Throat test costs only \$12 (compared to \$60 at other clinics) and takes minutes, not hours.
  - Call Dr. Ted Thompson at 781-2225 or just stop in.

- 2) The Uniform Communication of Benefits requirement for 3/23/2012 have been postponed until 9/23/12 or the first day of the first plan year after 9/23/12. View the Final regulations and guidance here: <http://www.gpo.gov/fdsys/pkg/FR-2012-02-14/pdf/2012-3228.pdf>
- 3) August 1, 2012 rebates are due to policyholders for 2011 Minimum Loss Ratio (M.L.R.) claims expenses. On December 7, 2011, the Department of Health and Human Services released final rules for M.L.R. settlements. View them at <http://www.gpo.gov/fdsys/pkg/FR-2011-12-07/pdf/2011-31289.pdf>

If your plan has a M.L.R. of less than 80% and less than 100 employees, or less than 85% for groups with more than 100 employees, employees will receive rebates of excess premiums over claims proportional to the premium paid by each employer group. (Amount based on aggregated market data of the insurance of a state.)

12/7/2011 Rule: The refunds could go to policyholders for disbursement as distribution to the employee would trigger income tax, which was not intended. Therefore:

- New ERISA Notice contains provisions for handling those rebates that are smaller than the cost to distribute. These are to be used by the fiduciary for the benefit of plan beneficiaries, toward reducing participant payments or enhancing benefits in the next policy year inside plan funding. For self-funded health plans, the TPA and employer plan sponsors have ERISA rebates responsibility under 403, 404 and 406 of ERISA.
- 4) Last week the IRS issued guidance on reporting the cost of health coverage on W-2s. View them here: <http://www.irs.gov/pub/irs-drop/n-12-09.pdf>
    - Employers issuing less than 250 W-2s in 2011 do not have to report. They are exempt until 2014 or later.
    - Employers issuing more than 250 W-2s in 2011 must report in 2012.

The health cost to be reported includes only the medical and prescription costs. Dental and vision costs only need to be reported if they are a part of the medical plan. The cost does not include employee contributions to Section 125 plans. Do not report EAP, Wellness or Onsite Medical Clinic costs unless you are charging your employees premiums. You do not need to report the health cost on any W-2 for retirees on your health plan.

- 5) Pick up a Free Prescription Discount Card for all your employees. Over 414 people in La Crosse County have used the National Association of County's Free Prescription Discount Card and have saved an average of 60% on their prescriptions. This card is perfect for retirees, part-timers or anyone else not eligible for prescription drug coverage. Go to <http://www2.caremark.com/naco/> to get your card today!

- 6) These top five work injuries cause 72% of Workers' Compensation costs:
  - 1) Overexertion
  - 2) Falls at same level
  - 3) Falls to a lower level
  - 4) Bodily Reaction
  - 5) Struck by Objects
  
- 7) The US Treasury Department is contemplating softening the 2014 penalty of \$2,000 times the number of 30+ hours per week employees who are not covered by employer health coverage in 2014 to not applying the penalty if an employer has offered coverage to all employees or substantially all fulltime employees. We will have to wait and see how this plays out.
  
- 8) To our Anthem Policyholders, please utilize Anthem's website; it is an excellent resource for employers. Sign up today under Employer Access.  
Visit <https://employer1.anthem.com/wps/portal/eeabcca>
  
- 9) Please take a few minutes to look through our new updated website ([www.armitageinonline.com](http://www.armitageinonline.com)). We will regularly update our site to keep you informed of important information.
  
- 10) Health Insurance Exchanges and 9.5% Test Update information is available in our White Paper #21 – *Should you Provide Health Insurance in 2014* and #22 – *Health Benefit Exchanges: 2014-2015*. Visit our White Paper Section (<http://armitageinonline.com/insurance-publications/white-papers/>) to download these documents.
  
- 11) In accordance with PPACA Section 4376 (\$1.00 fee that becomes \$2.00), the \$1.00 fee per life, due to the government from only self funded plan sponsors beginning 2012-2018, should become effective for plan dates after 9/30/2012. The IRS will soon clarify how to file the fee.

**Visit our New Website: [www.armitageinonline.com](http://www.armitageinonline.com)**



**Companies**

Armitage, Inc.  
Second Opinion Insurance Services, Inc.  
Corporate Compensation Plans of WI, Inc.  
125 N. 7<sup>th</sup> St., Ste. B, La Crosse, WI 54601  
608-784-5433 or 800-952-0263