

Pay-or-Play: A Bigger Challenge for TPAs than Plans

Presenter:

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Pioneering Specialists in

Group Health Care

Post-Payment Administration

For Over 25 Years

Customer Philosophy

Respect for Existing Procedures

Emphasis on Customization

FOCUS on Solutions

Today's Session

Focus:

- Recent “ObamaCare” Pay-or-Play / Shared Responsibility Regulations
- Employer Plans Generally
- Self-funded Plans specifically

Terms:

- Plan: Employment-based group health plan
- TPA: Administrator paid to operate group health plan

ObamaCare Compliance

- For Most Plans → No Big Deal
- For Some Plans → Complicated
- For a Few Plans → Maddening

ObamaCare Compliance

Not All Plans Impacted the Same.

Situation	Compliance “Hassle” Factor
Stable work force working 30+ hours per week	1
Stable work force working variable and varying hours	2
Work force growing through large acquisitions	3
Work force experiencing high turnover	4
Fluctuating workforce with fluctuating hours	5

ObamaCare Compliance

- Compliance Penalties
 - Unlikely to occur for most
 - Less likely to be aggressively enforced

Don't comply because you have to.

Comply because it helps you.

ObamaCare Compliance

- Regulations built around the individual.
- Defines the marketplace product.
- Standardizes product definitions.
- Defines certain administrative procedures.

ObamaCare Compliance

Components

Pay-or-Play Decision

Out-of-Pocket (OOP) Maximums

Two-way Communications

ObamaCare Compliance

Pay-or-Play Decisions **(HINT: Play!)**

Safe Harbors

- **Affordability:** Same limits on premium sharing for all
9.5% of income
- **Minimum Value:** Easily met
If OOP limits tied to pre-tax levels

ObamaCare Compliance

Pay-or-Play Decisions

FTE Counting

- Organizes eligibility determination.
- Addresses biggest source of error for employers

See prior webinars for 9/2011 & 9/2010 also 10/12, 6/11, 4/10, 10/09

FTE Calculation

- Links to open enrollment.
- May impact hours offered

FTE Maintenance

- Stability period enforcement new
- COBRA coordination (or elimination?)

ObamaCare Compliance

Pay-or-Play Decisions

Optimal Plan Features for Employee Eligibility

- Premium sharing less than 9.5% of income.
- OOP maximums less than \$6,500/year.
- Eligible at 30 hours per week.
- Waiting period 90 days or less.

ObamaCare Compliance

OOP Maximums

Defines terms

- deductible, copay, coinsurance

Standardizes calculations

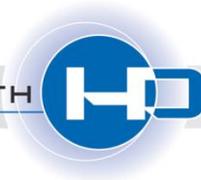
- Deductible + copay + coinsurance
- For both medical & RX

OOP maximums linked to pre-tax health accounts

ObamaCare Compliance

Two-Way Communication

- Consumer Reporting (see 4/2010 webinar)
 - W-2, Standard Summary, Information on Coverage
- Regulatory Reporting (to and from)
 - IRS, DOL, State Exchanges, M-1 for MEWA
- Financial Reporting (By Member)
 - \$1-\$2 PMPM for Comparative Effectiveness Fee/Patient-Centered Outcomes Research
 - \$5.25 PMPY for Transitional Reinsurance Program



ObamaCare Compliance Tougher on Plan or TPA?

Initial	On-going	Compliance Step
		Play or Play
Plan	TPA	<ul style="list-style-type: none"> • Safe Harbors
Plan	TPA	<ul style="list-style-type: none"> • FTE Calculations
TPA	TPA	OOP Maximum
		Two-way Communication
Plan	TPA	<ul style="list-style-type: none"> • Consumer
TPA	TPA	<ul style="list-style-type: none"> • Regulatory
TPA	TPA	<ul style="list-style-type: none"> • Financial

ObamaCare Compliance

June 13th

Employer Mandate Calculations Explained

Past Webinars Available

Recordings of past webinars are available upon request, including:

- April 2013 - The Most Overlooked Part of Health Reform: Enrollee Communications
- March 2013 – Why Cost Sharing is not Working
- February 2013 – Loss of Fiduciary Control
- January 2013 – Top 10 Do's and Don'ts of Data Warehousing
- December 2012 – Union Trusts: Health Reforms Most Overlooked Winner?
- November 2012 – Year-end Renewal and Bidding: Opportunities for Control and Savings
- October 2012 – The 5 Most Important Things an Effective Dependent Audit Should Include
- September 2012 – Old Question, New Twist: Is Self-funding Right for Your Group Health Plan?
- August 2012 – Are You Ready to Manage Your Health Plan Costs?
- June 2012 - Group Health Brokers' Future: Disintermediation or Re-intermediation
- May 2012 – Five Levers of Management Control
- April 2012 – How the AMA Can Help You with Plan Oversight
- March 2012 – Health Data Control

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