

Hamilton Headlines

JUNE 15, 2015



What Are the ACA Preventive Care Requirements?

Recent guidance issued jointly by the U.S. Departments of Labor, Health and Human Services and the Treasury clarifies how the Affordable Care Act's requirement to provide cost-free coverage for preventive care applies to several types of products and services.

In particular, the guidance clarifies that:

-- Coverage for all types of contraception (currently 18 different types are recognized) must be provided cost-free to plan participants. Plans may implement cost-sharing for medical management purposes (for example, to encourage the use of generic over brand-name products), but must have an efficient and transparent process in place to make exceptions to those cost-sharing requirements in accordance with an attending physician's recommendation.

-- Coverage of well-woman care that is subject to the preventive care rules must be offered cost-free to qualifying dependent children as well as to employees and spouses.

ACA Deadline Approaching PCORI Fees Due July 31st

The Internal Revenue Service recently published [IRS Notice 2014-56](#), adjusting the amount of the Patient Centered Outcomes Research Institute (PCORI) fee for plans ending on or after October 1, 2014 and before October 1, 2015. These plans will pay \$2.08 per covered life, a slightly higher PCORI fee than the previous plan year. As in previous years, health insurance carriers will pay the PCORI fee on behalf of fully-insured group health plans. Plan sponsors of self-insured group health plans, including some HRAs and health FSAs, must complete the filing process themselves using IRS Form 720.

The PCORI fees, embedded in the Patient Protection and Affordable Care Act, are collected to fund the Patient Centered Outcomes Research Institute. Report and pay the PCORI fee by July 31st.

The IRS also maintains a helpful PCORI fee Questions and Answers page, providing information about the filing process, methods for calculating covered lives under a plan, and expiration date of the PCORI fees. This page may be accessed [here](#).

Want to know more about the PCORI fee and other healthcare reform fees and taxes? Check out our free recorded [webinar](#) on the various healthcare reform fees and taxes, including PCORI fee, Transitional Reinsurance fee, the Cadillac tax, and the Health Insurance Sector fee, or HIT tax.

IRS Proposes Transitional Reinsurance Program fees for 2015 and 2016:

The IRS has proposed a \$44-per-participant fee for 2015 and a \$27-per-participant fee for

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IRS Reminds Taxpayers to Safeguard their Tax Records as the Beginning of Hurricane Season Approaches

IR-2015-83, June 1, 2015

WASHINGTON - Hurricane season starts next week and the Internal Revenue Service advises individuals and businesses to safeguard their records against natural disasters by taking a few simple steps.

Create an Electronic Additional Set of Records

Taxpayers should keep a duplicate set of records including bank statements, tax returns, identifications and insurance policies in a safe place such as a waterproof container, and away from the original set.

Keeping an additional set of records is easier now that many financial institutions provide statements and documents electronically, and much financial information is available on the Internet. Even if the original records are only provided on paper, these can be scanned into an electronic format. This way, taxpayers can save them to the cloud, download them to a storage device such as an external hard drive or USB flash drive, or burn them to a CD or DVD.

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2016:

* The 2015 fee of \$44 per participant could be paid in full by Jan. 15, 2016, or with a \$33 payment made by Jan. 15, 2016, and an \$11 payment made by Nov. 15, 2016.

* The 2016 fee could be paid in full by Jan. 15, 2017, or with a \$21.60 payment made by Jan. 15, 2017, and a \$5.40 payment made by Nov. 15, 2017.

Sources

<http://www.healthcarereformdigest.com/irs-publishes-healthcare-reform-pcori-fee-increase-2014-2015>

DOL Outlines Benefit Plan Audit Deficiencies

Too many employee benefit plan audits are deficient, finds a new report from the U.S. Department of Labor, putting up to \$653 billion and 22.5 million plan participants and beneficiaries at risk.

More than 7,300 licensed CPAs nationwide audit more than 81,000 employee benefit plans. The Employee Benefit Security Administration's review found that while 61% of audits fully complied with professional auditing standards or had only minor deficiencies under professional standards, the remaining 39% of the audits contained major deficiencies.

"I can't say I'm surprised," says Danielle Capilla, chief compliance officer with United Benefit Advisors. "DOL audits deal with a complicated area of law where there's a lot of nuance. So it's very easy for someone to make a mistake that is then compounded over the years."

Moreover, she says, the Affordable Care Act "further complicated the waters as it relates to the law surrounding benefit plans. It gives plans more areas to make mistakes. It's kind of low-hanging fruit [for the DOL] to a certain extent."

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Memo to Long Term Care Facilities on Disenrollment Issues

ISSUE:

Only a Medicare beneficiary, the beneficiary's legal representative or the party authorized to act on behalf of the beneficiary under state law (collectively "the representative") can request enrollment or voluntary disenrollment from a Medicare plan. This applies equally for beneficiaries receiving care in a nursing facility or skilled nursing facility (Long Term Care, or LTC facilities). The CMS continues to see an unacceptable practice of LTC facilities disenrolling beneficiaries from Medicare advantage prescription drug plans (MAPDs) and enrolling them into stand-alone drug plans (PDPs) **without the beneficiary's or the representative's knowledge and/or complete understanding.** This action automatically returns the beneficiary to Original Medicare coverage for those services covered by Parts A and B. This practice is noncompliant with regulatory requirements.

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Questions About Compliance Issues?

You can reach us by clicking [here!](#)

DID YOU KNOW? Top Headlines of the Week

-- U.S. Office of Personnel Management, the agency responsible for security clearances and background checks, said it was urging potential victims to monitor their financial statements and obtain new credit reports. It said "personal identifiable information" had been breached.

-- Humana self-imposed a quiet period starting Monday until the end of July in an attempt to quell chatter that it'd an acquisition target. But the Louisville, Ky.-based health insurer stoked the flames further after it pulled out of a large industry conference. Reports surfaced last month that Humana hired investment bank Goldman Sachs Group to explore a potential sale. Humana, a dominant Medicare Advantage insurer, has missed Wall Street estimates several times the past two years and is undergoing a federal probe related to its Medicare business.

-- The Administrative Office of the U.S. Courts recently reported a significant surge in Family Medical Leave Act (FMLA) lawsuits. In 2014, FMLA lawsuits were up 26.3% from the year before-1,108 cases compared to 877-and the 2013 total was three times that of 2012 with 291 cases.

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