Benefits

BUZZ

Benefits tips brought to you by
AxisPointe Benefit Advisors

April 2017

DID YOU KNOW?

In late February 2017, the Department of Health and Human Services (HHS) **extended an existing transition policy** for certain health plans that do not comply with the Affordable Care Act (ACA) for an additional year, **to policy years beginning on or before Oct. 1, 2018**.

During this transition period, health coverage in the individual or small group market that meets certain criteria will not be considered to be out of compliance with the ACA's market reforms.

The extension means that individuals and small businesses may be able to keep their non-ACA compliant coverage through 2018, depending on the plan or policy year. If the ACA is repealed, replaced or amended, the market reforms may no longer apply to these plans.

House Republicans Release Legislation to Repeal and Replace the ACA

Update: *On March 24, 2017, House Republicans pulled the American Health Care Act (AHCA). It is unclear whether the bill might be rescheduled, and if so, when. You can expect updates in the future, but in the meantime, the failed legislation provides information about potential future Republican health care reform.*

On March 6, 2017, the House Ways and Means Committee and the House Energy and Commerce Committee each released budget reconciliation bills. These pieces of legislation are part of the House Republican's AHCA, the legislation designed to repeal and replace the Affordable Care Act (ACA). This article outlines the major changes proposed in the legislation.

Changes to the ACA

The AHCA proposes to repeal both the individual and employer mandate penalties. It would also eliminate ACA-imposed taxes on over-the-counter medications, medical devices, prescription drugs and health insurance premiums.

AxisPointe
Employee Benefit Advisors

Changes to Tax Credits

The AHCA would repeal the ACA premium tax credits beginning in 2020 and replace them with a new age-adjusted, fixed-dollar refundable tax credit. The tax credit would be adjusted for inflation and be available only to people who are not eligible for employer- or government-sponsored health insurance.

The AHCA would also repeal the ACA small business tax credit beginning in 2020.

Changes to Health Spending Accounts

The AHCA would lower taxes on health savings account (HSA) distributions on nonqualified medical expenses to pre-ACA rates effective after Dec. 31, 2017, and allow both spouses to make catch-up contributions to one HSA beginning in 2018. The legislation would also repeal the contribution limits on flexible spending accounts (FSAs), effective for taxable years beginning after Dec. 31, 2017.

Changes to Health Insurance Markets

The AHCA would repeal the cost-sharing subsidy program. It would also establish a continuous health insurance coverage incentive and the Patient and State Stability Fund, which is designed to lower patient costs and stabilize state markets.

Other Changes

This article highlights a few key changes contained in the committee bill. You can view both bills by following the links provided above for further information.

American Health Care Act: What Won't Change

The bills that make up the AHCA were primarily focused on what changes would be made to existing ACA rules. Here are some items that would not change under the proposal.

Pre-existing Conditions

The ACA mandate prohibiting insurers from denying or charging more for coverage to patients with pre-existing conditions would be preserved.

Coverage for Adult Children

The AHCA would preserve the ACA's rule allowing young adult dependents to remain on their parents' plans until they are 26.

Cost-sharing Limits

Out-of-pocket maximum limits imposed on non-grandfathered plans by the ACA would continue to apply. These limits are currently $7,150 for single and $14,300 for family coverage.

Annual and Lifetime Limits

The AHCA would retain the prohibition on annual and lifetime limits on essential health benefits.

For More Information

Visit the Ways and Means Committee and the Energy and Commerce Committee websites for more information.

HR Brief

Human Resources tips brought to you by
AxisPointe Benefit Advisors

April 2017

DID YOU KNOW?

If employee retention is not a top priority, it should be. Here are some staggering facts from a recent Gallup poll:

- **Fifty-one percent** of employees are searching or watching for new job openings.
- Only **33 percent** of employees are engaged at work.

As Gallup notes, millennials want their work to have purpose and to use their talents on the job. Listen to your employees and learn what they need to feel engaged. This will help improve retention and employee fulfillment.

Retirement Uncertainty and Where to Turn

Retirement is something you're told to prepare for as soon as you enter the workforce. However, this is not possible for many Americans and the majority feel like they have not saved enough.

Nearly 75 percent of Americans are worried about economic insecurity affecting their retirement, according to a recent report from the National Institute on Retirement Security (NIRS).

In the same report, 88 percent of Americans said they believe there is a "retirement crisis" in this country.

Planning for Retirement
HR is in a position to help educate employees on their retirement. Employees should turn to HR with questions about the best ways to prepare for the transition.

There are many ways to get ready for retirement, but you will ultimately need to have money saved. The Department of Labor (DOL) encourages the following savings tips:

- Start **now**. Don't wait. Time is critical.
- Start small, if necessary. Even small contributions can make a big difference given enough time and the right kind of investments.
- Use automatic deductions from your payroll or your checking account for deposit into mutual funds, your individual retirement account (IRA) or other investment vehicles.
- Save regularly. Make saving for retirement a habit.
- Be realistic about investment returns. Never assume that a year or two of high market returns (or market declines) will continue indefinitely.
- Roll over retirement account money if you change jobs.
- Don't dip into retirement savings.

Saving for retirement may seem like a strain on your budget right now, but you can start small and grow. The closer you get to retirement age, the more you will appreciate your savings.

For more information on retirement saving tips, visit www.dol.gov/ebsa/pdf/savingsfitness.pdf.

Saving With Health Care Literacy

According to the U.S. Department of Education's National Assessment of Adult Literacy (NAAL), more than 1 in 3 Americans, or over 77 million people, are considered to have inadequate health literacy, which means that they have difficulty with common health tasks like reading a prescription drug label or making a wise health care decision.

It is estimated that low health literacy costs the United States $106 billion to $238 billion annually and accounts for 7 to 17 percent of all personal health care expenditures.

Increasing employee health care literacy starts with a good communication strategy. The most successful campaigns involve communication throughout the year, not just during open enrollment.

Utilize a variety of methods to increase readership, like flyers, emails and videos. Consider developing an FAQ so you can streamline the information for next year. Most importantly, benchmark employee satisfaction and knowledge through surveys and use the feedback to revise your campaign accordingly.

AxisPointe
Employee Benefit Advisors