

LEGAL AND ETHICAL CONSIDERATIONS FACING INSURANCE INDUSTRY

April 5, 2013
DoubleTree Hotel
11:15 am - 1:00 pm

This presentation will cover various elements associated with the Accountable Care Act (ACA) and decisions made by employers regarding whether to utilize health benefit programs provided through state and national health insurance exchanges and issues associated with health care plan design contemplated by the ACA.

Our speaker will discuss legal and ethical implications of decisions to be faced by insurance professionals and their clients, various plan design strategies being considered by employers and their insurance professionals and the timing of decisions relating to those strategies.

Issues will range from whether employers should continue providing any health insurance benefits for their employees to what level of employer paid benefits can or should be provided. Discussion will also cover ethical issues with new healthcare delivery strategies that will directly impact price and the allocation of healthcare services.



Our speaker is **RANDAL L. SCHULTZ**, an attorney with Lathrop Gage LLP. Randal Schultz is the chair of the firm's Healthcare Strategic Business Planning Practice group and also brings a wealth of experience related to Insurance/Employee Benefits Law.

The registration fee is \$35 for members and \$40 for nonmembers. One hour of CE ethics credit is available for Kansas and Missouri is pending. Only 2013 members are eligible to receive the CE credits. Please use the form on the back page to register or go to our web site, www.ebpa-kc.org. 48 hour cancellation required.

President's Message **CHANGE AND OPPORTUNITY**

Hello,

It is hard to believe that the first three months of 2013 have passed and spring is on the way. It is also hard to believe that it has been 3 years since President Obama signed the Patient Protection and Affordable Care Act into law. The law was signed March 23, 2010 and its intent was to put in place comprehensive health insurance reforms that would roll out over a period of four years or more.

A few of those reforms are already in place: extending the age of adult children eligible for coverage under their parents' health care plan to age 26; lifetime limits on the dollar value of coverage have been removed from individual and group health plans; pre-existing exclusions that would apply to children are prohibited; and there is mandated coverage for recommended immunizations and preventative care. Most of the reforms I have listed took place the first year the law went into effect and have become standard practice with carriers and health professionals.

In writing this message it occurred to me that this industry has been experiencing change for a long time. We went from base major medical plans to comprehensive

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The opinions expressed in the *EBPA Newsletter* are those of the writers and not necessarily those of the Greater Kansas City Employee Benefit Professionals Association.

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President's Message

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plans. Then we saw provider networks develop and with that came HMOs and PPOs. Today we offer qualified high deductible plans and Health Savings Accounts to clients. All of these changes brought new guidance from federal agencies and created new learning curves for all of us. The intent of PPACA is to make health care more affordable for everyone.

As frustrating as change can be, it also brings about new opportunities for growth. One area of growth in this industry is wellness. Employers are embracing ways to create and maintain a healthy work force. Wellness is being recognized as an essential part of the benefit package offered to employees. Employers are hopeful that they will experience a significant return on the investment of wellness package in the form of not only a healthier population but lower renewal rates.

EBPA will host its next luncheon on April 5th, 2013. This luncheon offers our members an opportunity to acquire an ethics credit. Our Golf event will be held at Loch Lloyd on May 14th. Hopefully we will see you there.

Judy Wood

**48 hour cancellation
provision for all meetings.**

Mark Your Calendar for These Events

May 14, 2013
Annual Golf Tournament
Loch Lloyd Golf Course

**Thursday,
June 20, 2013**
Annual Benefits Seminar
Ritz Charles
Meeting Facility

EBPA IS GREEN

All correspondence is done electronically. If you know of someone who is not getting our email announcements and newsletters, please have them contact the office with their new email address at (913) 381-4458 or ebpa@sbcglobal.net.

Continuing Education Credits

For a participant to receive continuing education credit, he/she must be a member of EBPA for 2013.



Legislative Article

Health Care Reform Basics (if there can be such a thing) HCR, ACA, Obamacare, Penalties, Tax Issues... complicated stuff

by Kristin Grace, Legislative chair

As can be expected, concerned companies across the nation are seeking a hand to hold through this challenging, far-reaching law and the accompanying regulations. However, there are some key parts of the law that, in many ways, can simplify many of the complexities and perhaps lessen the level of concern.

If an employer has more than 50 full-time employees or equivalents and one of the employees chooses to access one of the state-sponsored or the possible default Federal exchanges and is eligible for assistance, the employer may be subject to a non-deductible excise tax. The tax is either \$3,000 per year times the number of employees obtaining credit from the exchange or \$2,000 per year times all employees minus 30, depending on the coverage option offered.

The law is very specific with respect to the coverage that must be offered to qualify for an exemption... Now you're paying attention, aren't you?

The law refers to three guiding principles when determining the potential applicability of that exemption:

1. The plan must provide "minimum value." Generally this means that the plan must pay for 60% of medical expenses. Regulators continue to provide

additional guidance in this area. (An employer may need some help from a professional consultant and actuary in order to design and underwrite a plan that meets those specifications.)

2. The plan must be made available within 90 days of commencing employment to all employees who work 30 hours per week or more. Again, there are some guidelines to help make those determinations with respect to seasonal employees, but 30 hours per week is the threshold for full time.

3. The plan must meet an affordability threshold. The cost to the employee cannot exceed 9.5% of "household income." The employer can rely on box 1 of the employee's W-2 for this purpose.

Taking into account the need to gather the testing information, perform proper plan design and set a proper contribution level, if the aforementioned three key conditions are met, the employer is exempt from paying the penalty regardless of how many employees may choose to purchase coverage through an exchange.

As with all things associated with this law it is subject to change. However, it is advisable to plan now according to what we know today.

Register Now for the Annual Golf Tournament

This year's EBPA Golf Tournament will be held on Tuesday, May 14th, at Loch Lloyd Country Club with registration at 8:00 AM and tee-off at 9:00 AM. Once again, we anticipate a full field of enthusiastic golfers to make this tournament a success.

Immerse yourself in one of the finest golf communities in the Midwest - Loch Lloyd. In the Spring of 2012, Tom Watson, Kansas City's greatest champion and Hall of Fame golfer, opened the new Tom Watson Signature Design golf course at Loch



Lloyd. Here is your chance to see why many are already calling the new Tom Watson Signature Design the finest test of golf in Kansas City.

Participation is limited to the first 144 golfers, so sign up now! Payment must be received prior the tournament. Go to www.ebpa-kc.org to register.

Notice of CEU Procedures

Participants must sign in at the registration desk **AND** submit a completed evaluation form in order to receive CEU credits. Documents will not be accepted by mail. *CEU credit is available to 2013 EBPA members only.*

EBPA APRIL 5, 2013 Reservation

Company _____

Name(s) _____

Phone _____ E-mail _____

To pay by credit card: __Mastercard__ Visa__ Amex No. _____

Expiration date: _____ Signature of cardholder _____

Registration fee: Prior to APRIL 3: \$35 for members, \$40 for nonmembers, add \$5 after APRIL 3
Payment must be received in advance of the meeting.

Cancellations must be received 48 hours in advance of seminar.

EBPA, P.O. Box 40071, Overland Park, KS 66204, 913.381.4458, fax 913.381.9308, ebpa@sbcglobal.net

CANCELLATION POLICY

✓ CANCELLATIONS MUST BE RECEIVED 48 HOURS IN ADVANCE of the meeting. A credit for a future meeting will be provided for any cancellations received within this time frame. No shows that have not been prepaid will be billed. Of course, if you wish to send someone in your place to the meeting, please feel free to do so!

We appreciate your compliance with these policies. If you have any questions, please do not hesitate to call (913) 381-4458 or any of the board members shown on page 2.

Check Your CE Credits

EBPA files all credits for meetings electronically with the states of Kansas and Missouri. You are able to check the credits that have been filed on your behalf by going to:

Kansas:

<http://www.ksinsurance.org/industry/agent/conted.htm>

Missouri:

http://insurance.mo.gov/agents/ce/ce_res.php

You must be a member of EBPA in order to receive the CE credits from a meeting. An evaluation form must be completed and turned in at each meeting, as well as the sign-in sheet completed.