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# THE INFORMER

BENEFIT & HR TIPS

## *In The News*

### ACA Affordability Percentages

#### Increase for 2016

On Nov. 21, 2014, the IRS released affordability contribution percentages for 2016. Affordability contribution percentages measure a plan's affordability and apply to three provisions under the ACA: the employer-shared responsibility penalty, the individual mandate and the premium tax credit.

These updated affordability percentages are effective for taxable years and plan years beginning **after Dec. 31, 2015**:

- The new affordability percentage for the individual mandate is 8.13 percent for 2016.
- The affordability percentage for the employer mandate and the premium tax credit eligibility rules is 9.66 percent for 2016.
- Employers that use an affordability safe harbor under the pay or play rules will continue using a contribution percentage of 9.5 percent.

For **2015** plan years, the individual mandate affordability percentage is 8.05 percent, and it is generally 9.56 percent for the employer mandate and premium tax credit eligibility.

### HHS Issues Proposed Benefit and Payment Parameters for 2016

On Nov. 21, 2014, the Department of Health and Human Services (HHS) issued the 2016 Notice of Benefit and Payment Parameters Proposed Rule,

which contains several proposed changes for 2016. Among these changes are adjustments to the reinsurance program's annual contribution rate, the Health Insurance Marketplace open enrollment period for 2016 and following years, and annual limitations on cost-sharing.

The transitional reinsurance program, created by the Affordable Care Act (ACA) to help stabilize coverage premiums in the individual market for the first three years of the Exchange, imposes fees on health insurance issuers and self-insured group health plans. The fees are lowered each year that they are assessed. The 2015 annual fee is \$44 per enrollee, and the proposed contribution rate for 2016, the final year of the reinsurance program, is \$27 per enrollee.

The Nov. 21 Notice also addresses the Marketplace open enrollment period for 2016. The 2015 period of Nov. 15, 2014, to Feb. 15, 2015, remains the same, but the proposed rule changes the open enrollment period for 2016

and following years to run from Oct. 1 to Dec. 15 of the year prior to the benefit year.

Annual cost-sharing limitations are also addressed in the proposed rule. The ACA generally requires non-grandfathered plans to have an out-of-pocket maximum for essential health benefits, which is updated annually based on the percent increase in average premiums per person for health insurance coverage.

The 2015 out-of-pocket maximum for self-only coverage is \$6,600 and the proposed 2016 maximum is \$6,850. For family coverage, the 2015 maximum is \$13,200 and the proposed maximum for 2016 is \$13,700.

The Notice also addresses proposed changes to the minimum value of employer-sponsored plans, the affordability exemption for the individual mandate, medical loss ratio rebate requirements and provisions for the Small Business Health Options Program (SHOP).

The changes addressed in the Notice are proposed rules, so the HHS may still change them before finalizing benefit and payment parameters for 2016.

### DID YOU KNOW?

The Affordable Care Act's (ACA) prohibition on pre-existing condition exclusions (PCEs) for plan years beginning on or after Jan. 1, 2014, makes HIPAA certificates of Creditable Coverage unnecessary. Beginning Dec. 31, 2014, group health plans and issuers are not required to provide HIPAA Certificates for 2015 and following years.

Under the Health Insurance Portability and Accountability Act of 1996 (HIPAA), plans and issuers had to provide HIPAA Certificates to individuals when they lost coverage under the plan or upon request for 24 months after coverage was terminated. The HIPAA Certificate allowed individuals to establish prior creditable coverage in order to reduce or eliminate PCEs.

## When FMLA is Exhausted

Under the Family and Medical Leave Act (FMLA), covered employees are entitled to 12 weeks of unpaid, job-protected leave for specified family and medical reasons. After FMLA is exhausted, or if the employee is not eligible for FMLA, you may face uncertainty about whether you must continue to offer leave or if you may terminate the employee.

There are several considerations you should make when FMLA is exhausted but an employee is not ready to return to work. You should consider if any of the following apply to the situation:

- Your own leave policies
- The Americans with Disabilities Act (ADA)
- The Pregnancy Discrimination Act (PDA)
- State leave and workers' compensation laws

Especially if the employee condition is covered by the ADA or PDA, you should enter an interactive process with the employee to determine if reasonable, temporary accommodations can be made. When FMLA leave is exhausted, don't assume that you can automatically terminate the employee.

We hope you enjoy our newsletter, should you have any questions or suggestions about our newsletter, we would appreciate hearing from you. Please feel free to respond to Amy O'Brien at [aobrien@corpbenusa.com](mailto:aobrien@corpbenusa.com) or you may reach us at (615) 331-0888!

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## One Step at a Time

Whether meandering from the couch to the refrigerator for a snack or cruising around the block as part of an exercise routine, almost everyone includes some walking into their day. Walking is a great form of exercise for achieving better health and burning calories. But do you know the recommended amount of walking to achieve optimum benefits?

Studies show that walking 10,000 steps, or about 5 miles, is an excellent daily goal for most people. But you don't have to do endless laps around the local high school track; steps throughout your day all add up to a healthier you. Try wearing a pedometer to help you monitor how close you are to reaching your goal—whether you start by aiming for 5,000, 10,000 or 20,000 steps a day. Here are some ways to incorporate more steps into your daily life:

- Climb the stairs instead of awkwardly staring down strangers in the elevator.
- Park a few spots farther from the door and stretch your legs with long strides before shuffling through a crowded store.
- If you sit at a desk all day, drink a lot of water. Your body will periodically remind you to get up for a stroll to the restroom.
- Window-shop downtown or at the mall instead of surfing online stores.
- Give in to those puppy eyes and take your dog for a walk.

Every step counts, so keep walking! Although a vigorous walk of at least 30 minutes has additional benefits, reaching 10,000 steps every day is a great start toward better health.

## Protect Your Health

When you're sick, you have to deal with visits to the doctor's office or the hospital, bottles of medications and days in bed recovering. Wouldn't it be easier to just stay healthy in the first place? If you're not a fan of medication schedules and wasting days weakly lying in bed, you should consider the powerful role that prevention care can play in keeping you healthy.

The most important part of preventing disease an illness is healthy habits, including a balanced diet, sufficient sleep and enough exercise. Going to the doctor for recommended checkups and screenings is also a key factor in identifying and treating potential health problems before they develop or worsen. Recommendations vary depending on your age & gender, and sources such as the U.S. Centers for Disease Control and Prevention (CDC) offer guidelines for various preventive screenings and tests.

Due to recent health care reform, you may be able to receive many preventive services at no cost. Non-grandfathered health plans are required to cover a variety of preventive services. Check out what is covered by your group or individual insurance and take advantage of preventive care that can keep you and your family healthy.

