IN THE NEWS The Phia Group Featured in the **Boston Globe**









smart healthcare purchasing by employees. We practice what we preach! **READ MORE**

Attorney Tim Callender Named Vice President of Sales & Marketing We at The Phia Group are proud to announce that attorney Tim Callender has advanced to the role of Vice President of Sales & Marketing. In this newly established role, Tim will provide customer guidance, brand development, and lead

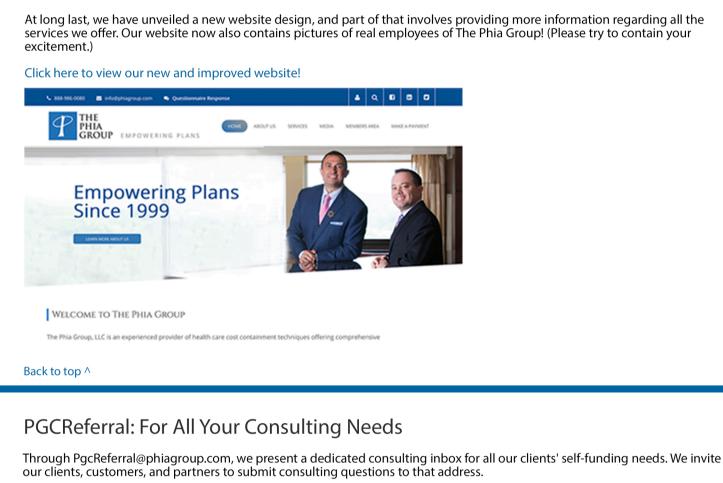
funding.

The Phia Group in its offerings to the industry. **READ MORE** The Book of Russo: From the Desk of the CEO

us asking how they can take that next step - from incentivizing employees to actually care about the cost of claims to empowering plans to fight back on overcharges. What we are seeing is a true revolution in the self insured space. The passion and energy in our industry has never been so high - lets keep that momentum going

Happy New Year to all of our readers and thank you so much for following us on social media and working with our amazing organization on so many levels. I speak to self insurance industry professionals every day and what I keep hearing from everyone is that business is booming. Stop loss carriers are having record growth; TPAs are signing on new groups and being sought after by investors. Brokers are telling me that more and more of their clients are asking about self Those employers who have already been self funded for years are reaching out to

IN THIS ISSUE Attorney Tim Callender Named Vice President of Sales & Marketing The Phia Group's 2016 Charity



Whether you have a stop-loss denial, a service agreement in need of review, a dispute with a network, a claim that may be payable but you aren't sure, a compliance question, a new group that would benefit from an SPD assessment or redline, or anything else relevant to the industry, The Phia Group is here to help.

account, to reviews or revisions of an Administrative Service Agreement, to proper HIPAA disclosures - and everything in

Our consulting division handles hundreds of consulting inquiries a week. They come from all different entities, including TPAs. groups, brokers, unions, MEWAs, reinsurers, MGUs, and more, and range in topic from ACA compliance to stop-loss exclusion issues, to disputes with providers and networks, to fiduciary responsibility issues, to how to best structure a claims payment bank

The Phia Group also offers consulting guidance regarding the treatment of specific claims or appeals that have been received but not yet adjudicated. We combine our wealth of knowledge of the industry and best practices with an intimate understanding of plan documents, networks, and applicable law to create an unprecedented resource that can be tapped when a TPA or plan is

We like to think of ourselves as a one-stop shop for all entities in the self-funding industry. To step into our shop, please don't

Agreement, our advice to the TPA was to send EOBs to providers noting that the claims were pended, and to contact the Plan Administrator for further information, and that the TPA was no longer processing claims on the Plan Administrator's behalf. We also drafted two letters - one for the TPA to provide with EOBs to providers and members, and another for the TPA to provide to

We invited the TPA to update us if anything happened - and we are happy to report that almost a year later, the TPA's treatment of

For more information regarding dispute resolution and our Independent Consultation & Evaluation service, please contact

Service Highlight of the Quarter: Independent Consultation & Evaluation

A self-funded plan's TPA approached The Phia Group and asked for our assistance with a tricky issue. The health plan was either no longer equipped to, or simply chose not to, fund claims - so there were about two months of claims that were adjudicated as

these claims has not caused any undue liability.

answer to that inherent conflict of interest.

self-funded health care market might head 2017.

pharmacy benefit managers.

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Click here to view our past webinars!

unsure of how to treat a given claim or appeal.

hesitate to email us at PGCReferral@phiagroup.com.

ICE@phiagroup.com. Back to top ^

Unfortunately, hourly billing tends to be difficult to budget, predict, and afford. Rather than force clients to choose between dealing with open-ended invoices and addressing difficult situations without assistance, The Phia Group offers a consultation service featuring a per-employee per-month subscription fee. The Phia Group believes that we are all ethically obligated to seek out objective, professional feedback in response to difficult situations. When the cost of such aid increases as the time spent on the matter extends, those who bill by the hour are rewarded for delays, and clients are punished for seeking out thorough review. Independent Consultation & Evaluation is The Phia Group's

With an ICE subscription fee, clients can preemptively budget for and share the cost of this invaluable resource - allowing The

For over a decade, The Phia Group has been a source of document review, claim analysis, and regulatory compliance consultation for the self-funded industry. Today, statutory and regulatory changes are occurring with greater frequency than ever before.

On January 19, 2017, The Phia Group will present "Back to The Self-Funding Future - Which Echoes of 2016 Will Continue to Impact Self-Funding in 2017." Click here to register! On January 4, 2017, The Phia Group presented a brief webinar to describe some changes recently made to our reporting portal. On December 13, 2016, The Phia Group presented "2017 Phia Forecast," where we shared some predictions for which direction the

From the Blogosphere Daraprim drug's key ingredient recreated by high school students in Sydney for just \$20. This one really makes you think... G.O.P. Plans to Replace Health Care Law With "Universal Access". Republicans. Democrats. Who cares? Just tell us what's going to happen to our healthcare system!

presidential election could further disrupt the Affordable Care Act (ACA). This is particularly true for some employer groups who are questioning what (if anything) they must modify in their health plan to comply with the ACA non-discrimination rule. In order to alleviate any heartburn this specific aspect of ACA may cause for the upcoming renewal season, let's try and break down what Section 1557 really means for plan sponsors. Click here to read the rest of this article. w to Avoid Common Pitfalls When Managing a Self-Funded Health Plan

Click here to read the rest of this article.

Confessions of a Self-Insured Employer

Click here to read the rest of this article.

Click here to read the rest of this article.

Action Committee (SIPAC).

scheduled events.

The Big Heist

them in "The Big Heist."

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Phia News

781-535-5600

New Hires This Quarter

By Christopher M. Aguiar, Esq.

By Adam V. Russo, Esq.

states.

eligibility while not "actively at work."

PGCReferral@phiagroup.com.

By Jennifer M. McCormick, Esq.

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The Stacks

To stay up to date on other industry news, please visit our blog. Back to top ^ SIPAC Fundraiser at the House of Blues in Boston

passion for revolutionary change; to change how health insurance should look and feel.

wonderful, dedicated employee and we are very fortunate to have her at The Phia Group. Boris has spent countless nights and weekends helping to create the next best thing at Phia. He works tirelessly, and has a level of dedication that is unmatched by many. He never refuses a new tasks and can always be seen raising morale, regardless of his stress level at the time. He has taken on the significant responsibility oas an architect of The Phia Group's enhanced case management software and helping to ensure it meets the needs of our clients and staff. Because CMS and OP, had previously been rolled out, the design and changes needed to plug into those applications was extensive. Boris has always risen to new challenges and helped The Phia Group become what it is today.

Nicole Messina was hired into the Claim and Case Support department. Ben Mooney was hired into the Claim Analysis department. Nicholas O'neill was hired into the Claim Analysis department. Cheyenne Fonseca was hired into the Legal department. Lisa Tangney was hired into the Accounting department. Rachel Fanning was hired into the Case Investigation department. Stephanie Smith was hired a part of our PACE staff, in the Idaho Office. **Open Positions at Phia** Case Investigator ISO Analyst Medical Bill Negotiator Accounting Administrator IT Technologist Social Media Coordinator Click here for more information or to apply!

Thank you for your support of The Phia Group as we continue "Empowering Plans." THE PHIA GROUP

The Phia Group's New Website! PgcReferral: For All Your Consulting Needs Phia Group Case Study Service Highlights of the Quarter **Fourth Quarter Webinars** From the Blogosphere Fiduciary Burden of the Quarter The Stacks SIPAC Fundraiser at the House of Blues in Boston The Big Heist: A Health Rosetta Films Production Employee of the Quarter **Phia News** Attorney Tim Callender Named Vice President of Sales & Marketing We at The Phia Group are proud to announce that attorney Tim Callender has advanced to the role of Vice President of Sales & Marketing. In this newly established role, Tim will provide customer guidance, brand development, and lead The Phia Group in its offerings to the industry. Sales Executive, Garrick Hunt, will continue to serve in his vital role and benefit from Tim's leadership and industry expertise. Tim brings with him over 10 years of legal and business experience, ranging from private legal practice, to various industry association board memberships and his time as general counsel for a large TPA. For more information regarding Tim's new role and The Phia Group's many services, please contact Tim Callender at tcallender@phiagroup.com or 781-535-5631. The Phia Group's 2016 Charity **BOYS & GIRLS CLUB** OF BROCKTON The Phia Group's 2016 charity has been the Boys & Girls Club of Brockton. The mission of The Boys & Girls Club is to nurture strong minds, healthy bodies, and community spirit through youth-driven quality programming in a safe and fun environment. The Boys & Girls Club of Brockton (BGCB) was founded in 1990 to create a positive place for the youth of Brockton, Massachusetts. It immediately met a need in the community; in the first year alone, 500 youths, ages 8-18, signed up as club members. In the 25 years since, the club has expanded its scope exponentially by offering a mix of Boys & Girls Clubs of America (BGCA) nationally developed programs and activities unique to this club. Since their founding, more than 20,000 Brockton youth have been welcomed through their doors. Currently, they serve more than 1,000 boys and girls ages 5-18 annually through academic year and summertime programming. **Christmas Toy Drive** This Christmas, The Phia Group and its employees received requests for gifts from 100 children who are members of the Boys & Girls Club of Brockton. Dressed as Santa Claus, Adam Russo - along with two of his helpers - personally visited the children to deliver their gifts. For more information or to get involved, visit www.bgcbrockton.org. Back to top ^ The Phia Group's New Website!

Back to top ^ Phia Group Case Study: Unfunded Claims payable but remained unpaid. The TPA's question to us was, simply, "what do we do?" The Phia Group's legal team first analyzed the Administrative Services Agreement signed between the TPA and the group, and we informed the TPA of its right to terminate the agreement immediately if the group failed to fund claims and failed to cure the error within fourteen calendar days from when the TPA notified the group of the lack of funding. The TPA had notified the group immediately upon discovering the issue - so by the time the TPA came to The Phia Group, the TPA did have the right to terminate its Administrative Services Agreement. Another issue, though, was how those claims should be treated by the TPA to avoid any potential legal liability. The Phia Group's legal team performed an in-depth review of the regulations, and coupling them with the Administrative Services

the health plan.

Webinars

between.

For more information regarding the Independent Consultation & Evaluation service, contact our Vice President of Sales & Marketing, Tim Callender, at TCallender@phiagroup.com. Back to top ^

Phia Group and their clients to focus on what is really important - results.

On November 21, 2016, The Phia Group presented "The First 100 Days: President-elect Donald Trump, Healthcare, and Self-Funding," where we analyzed President-elect Donald Trump's campaign goals with respect to healthcare, and some ideas of how those might play out. On November 15, 2016, The Phia Group presented "The Good, The Bad, and The Ugly - Ethics: Simple Mistakes vs. Breach," in which we examined some best and worst practices with respect to ethics in the self-funded industry. On October 27, 2016, The Phia Group presented "How Low Can You Go? Managing Specialty Drugs, Reducing Overall Pharmacy Spend, and Unraveling the Mystery Behind PBMs," in which our legal team provided some in-depth information into the world of

technique that is widely used. There may be legal or safety issues associated with the practice - but 19 million is quite a large number. WSJ: Why competition drives drug prices up, not down. An interesting take on a highly relevant issue. Visit our blog to read more recent industry news. Back to top ^

A particular group's Employee Handbook, issued to all employees, promised that for any employee covered under the health plan, coverage would continue while the employee was on any leave of absence falling under the Handbook's general

providing (based on the group's stop-loss policy) that coverage would continue only during approved FMLA leave.

If you have concerns about this regulation or interpretations of plan document provisions, please contact

As expected, an employee requested a leave of absence from the employer, which was approved by the employer in an

employer-approved leave of absence policy, which essentially gave the employer the discretion to approve leaves of absence for any employee whenever the employer found it appropriate. The Plan Document, however, made no such promise, instead

abundance of good faith. The Employee Handbook (a contract between the employer and employee) guaranteed health benefits during the leave; the SPD (a contract between the Plan and the employee) not only did not guarantee benefits during a leave, but the employee incurred catastrophic emergent claims while on his leave of absence and the Plan's TPA denied them for lack of

The employer had therefore promised certain benefits, while the Plan denied those benefits. This case settled before litigation, but there is case law to suggest the Handbook's guarantee of benefit would be viewed as a "supplement" to the benefits guaranteed by the SPD, and denying the employee his promised benefits may constitute a breach of fiduciary duties.

The fourth quarter is exciting. Not only do we have the holidays to look forward to, but we have so many opportunities and ideas to contemplate for the upcoming plan year. Generally, over the course of the year we see regulations take effect and guidance clarified, and even learn some new cost containment techniques. Unfortunately, this does not always mean that we know exactly what must be revised in our health plan documents for the upcoming plan year in order to ensure we fully implement these compliance updates and cost savings. To complicate matters, we're on the edge of our seats to see whether (and how) the recent

Fiduciary Burden of the Quarter: SPD vs. Handbook

Section 1557: Removing the Gender Divide in Employer Medical Plans

Survey: 19M Americans have purchased cheaper drugs across US borders. Purchasing drugs internationally is a cost-containment

By Brady C. Bizarro, Esq. Since the passage of the Affordable Care Act in 2010, employers have become increasingly aware of the potential financial benefits that come with adopting a self-funded health plan. A primary benefit of self-funding is that under the Employee Retirement Income Security Act, self-funded plans are shielded from the reach of state insurance regulations. States are unable to regulate these self-funded ERISA plans as they would fully-insured health plans.

As a result, employers are empowered to use innovative plan language to craft an affordable, flexible plan. Additionally, employers benefit from uniform coverage and cost continuity because a single plan can cover many employees in multiple

Despite the real advantages of self-funding, many employers still seek out tools they can use to transfer actual or perceived risk away from their plans. That's where incentives and disincentives come into play -- but there are potential pitfalls to be aware of.

As an employer and founder of a business, I will never forget my first experience purchasing health insurance for my employees at The Phia Group. It was 2002 and I was so excited that the company I co-founded in my mother's basement with my best friend from college was successful enough to actually need health care coverage because we finally had employees. Excitement turned to frustration, and that experience with the health insurance market opened my eyes and sparked within me a new level of

What You Don't Know Can Hurt You: Be Prepared For the Unintended Consequences of Effective Cost Containment

The cost of healthcare in the United States is out of control, and virtually everyone operating in the world of healthcare should know the root of the problem. As stated by Gerard Anderson, a healthcare economist at the Johns Hopkins School of Public Health, 'the prices are too @#\$% high.'[i] A sweeping statement that encapsulates the healthcare conundrum in five simple words. Many in the industry are giving it their all to try to combat those prices, and in no area is that more prevalent than in the world of self-insurance, where a new cost containment idea appears to service daily. But to launch those ideas without a full understanding of all the elements of a self-funded benefit plans and all the issues that may arise can put plans and their advisors in the line of fire. Whether it is through ineffective implementation of a cost containment strategy (make sure your plan language is strong before you start repricing those medical claims), misunderstanding the many relationships a plan enters into (consider your stop loss and network obligations before you try to implement any cost containment initiative), or not evaluating the situational prudence of a particular strategy, administrators must avoid going into any cost containment venture blindly.

On June 20, 2017, The Phia Group joins many of its partners in the industry in hosting a fund-raiser for the Self Insurance Political

Hosted in Boston, this fundraiser will be held at the House of Blues, and will feature the U2 tribute band The Joshua Tree.

Please contact Wrenne Bartlett at wbartlett@siia.org or 800-851-7789 for more information and/or to RSVP for any of the

The Phia Group is pleased to support Dave Chase's "The Big Heist" project. Dave Chase is a long-time healthcare industry consultant, entrepreneur, author, and provocateur. Mr. Chase is also the executive producer of the upcoming film, "The Big Heist."

Through this film and in-depth studies queued for publishing, he hopes to raise awareness of our broken and outdated

The Phia Group shares this mission, and is proud to support the endeavor, by donating \$25,000.

have encountered. These stories will be the type that The Big Heist aims to expose and help fix.

Get to Know Our Employees of the Year:

" Noving Duterten & Sonis Senic \$ 1,500* One Tracked & Five Hundred Date

Naviana Duterlien and Boris Senic

If you would like to learn more about "The Big Heist" or contribute to its production, please click here.

healthcare system which thrives on a lack of transparency and accountability. Structural fixes exist, and Mr. Chase plans to reveal

We urge you to check our social media channels on Wednesdays where we will post stories of egregious provider billing that we

Naviana has been a valuable member of our team since 2006. Her very extensive knowledge of The Phia Group's internal systems has allowed her to play a crucial role as we continue to improve and enhance our case management system. Additionally, Naviana continues to prove that she is a team player; she never hesitates to offer assistance to someone in need. She is a

Important Notice: Only SIIA members are eligible to contribute to SIPAC and attend scheduled events. SIPAC cannot accept corporate contributions. Membership information can be accessed on-line at www.siia.org. For more immediate assistance, please contact SIIA Membership Director Jenn Ivy at jivy@siia.org. Back to top ^

The Phia Group has added 13 new employees to its staff this last quarter. They include: Magdna Cieplik was hired into the Claim and Case Support department. Kerri Patel was hired into the Claim and Case Support department. Casey Balchunas was hired into the Case Investigation department. Julia Sadowski was hired into Office Management. Maya Tamhankar was hired into our Project Management Office. **Angel Asuncion** was hired into the Claim and Case Support department.

Congratulations, Boris and Naviana, and thank you for your many current and future contributions!

EMPOWERING PLANS info@phiagroup.com