

2017 PHIA FORECAST



THE PHIA GROUP

EMPOWERING PLANS

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Contact PGCReferral for all your consulting needs!

Specialties:

- Plan drafting, review, analysis, custom amendments
- ACA compliance questions
- Network, provider, stop-loss, client dispute resolution
- ...and so much more

Features:

- Simple submission process
- Same-day quotes in most cases
- Average turnaround of 8 business days
- Flat, transparent fees
- No surprises



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PGCReferral: November's Most FAQ

- Coverage (or exclusion) for a covered member who is a surrogate
- Marketplace appeals
- §1557 and dependent pregnancy



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LINKEDIN & TWITTER CONTEST

- Step 1. Attend our webinar.
- Step 2. Visit our LinkedIn or Twitter page.
- Step 3. Post or tweet honest feedback about our webinar.
On LinkedIn, tag “@The Phia Group”
On Twitter, tag “@ThePhiaGroup”
- Step 4. (Maybe) win **one free hour of consultative guidance!**

Check out our LinkedIn for news, updates, and more...



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REPORTING PORTAL UPDATE

- **Automated Password Recovery**
 - “Forgot Password” link
- **On-Demand Status Reports –**
 - Search using Case Number, Member Name, or Patient Name
 - You can also review a detailed listing of every case we’re handling
- **Historical Overview Report**
 - Now updated on a daily basis
- Please contact Marta Butkiewicz (MButkiewicz@phiagroup.com / 781-535-5605) to schedule a personalized training session for you and your team.
- We’ll host a brief webinar to demonstrate these changes: **Wednesday, January 4, 2017**
 - www.phiagroup.com/media/webinars



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OVERVIEW

- **Upcoming Regulatory Changes**
 - OOP Max, SBCs, Audits, Standalone HRAs (!)
- **The Presidential Transition**
 - Recap, Status
 - Repeal & Replace Delay
 - What are We Expecting?



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UPCOMING REGULATORY CHANGES

OOP Max (Under the ACA)

The new magic numbers:

\$7,150 (individual)

\$14,300 (family)



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UPCOMING REGULATORY CHANGES

SBC Regs Taking Effect

- First day of open enrollment on or after 4/1/17
- First day of plan year beginning 4/1/17 (if no OE)
- Includes embedded deductible & OOP Max, extended maternity description, combines MHP & SA benefits
- Additional example re: fracture with ER and follow-up care
- Hyperlinks for definitions
- Ancillary documents (calculator, instruction guide) updated



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UPCOMING REGULATORY CHANGES

Standalone HRAs for Small Employers

- Not GHPs under the IRC/ERISA/PHSA
- Maximum of \$4,950 per year (or \$10,000 for family)
- Effective for plan years beginning 12/31/16
- Must be provided on same terms to all eligible EEs



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UPCOMING REGULATORY CHANGES

§1557 Nondiscrimination Rules Taking Effect

- Scope of 1557 vs. threat of EEOC litigation
- Potential impact to preventive care services (i.e. “for females”) AND maternity claims (i.e. excluding dependent daughters)
- Notice requirements already in effect
- SPD / PD changes for 1/1/17



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UPCOMING REGULATORY CHANGES

DOL Enforcement

- Rumors of increased audits in 2017...
- Containing costs and acting prudently more important than ever
 - **Carve-Outs**
 - **RBP**
 - **Wrap Replacements**
 - **Objective third-party opinions**



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UPCOMING REGULATORY CHANGES

Market Trends

- **Appeals** expected to **increase** overall
 - **PACE** service already experiencing uptick
 - » Most common types: **medical necessity, E&I, illegal acts, RBP**
- **RBP** market penetration
 - **Wrap** networks and **OON**
 - **RBP** → Provider market **disruption** → **More appeals**
 - **Balance-billing** regulations and gov't enforcement



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PRESIDENTIAL TRANSITION

The Story So Far

- Trump Filling Cabinet With Business Leaders
- HHS Secretary Pick: Rep. Tom Price (R-GA)
 - He would head a \$1 trillion department that includes the FDA
 - Sponsored a 2015 bill that would restrict efforts to reduce doctor payments for medical services
 - Tried to block efforts by Medicare to scale back payments for chemotherapy and to limit large payments for hip and knee replacements



PRESIDENTIAL TRANSITION

From “Repeal & Replace” To “Repeal & Delay”

- **Repealing Obamacare Is Harder Than Trump Indicated**
 - “Campaign in poetry, govern in prose”
 - Passing and implementing the ACA took over four years (and counting)
 - Harder to claim a “mandate”
 - Revoking public benefits is unpopular
- **“Repeal & Delay”**
 - Idea is to pass a repeal bill now, and delay it for three years
 - This creates a “cliff” for Congress to come up with something

PRESIDENTIAL TRANSITION

From “Repeal & Replace” To “Repeal & Delay”

- **Uncertainty for Businesses and Insurers**
 - Business don’t know the rules under which they will operate in the future
 - This just adds to the problem
- **No Party-Wide Consensus**
 - Already, some Republican senators have signaled that they may not be willing to go along with this strategy
 - 22 million could lose coverage if repeal happens



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PRESIDENTIAL TRANSITION

From “Repeal & Replace” To “Repeal & Delay”

- **Interest Groups are Competing for Space**
 - Expanded risk payments offset the cost of care
 - Make it harder to sign up for coverage outside of open enrollment periods to prevent people from seeking coverage only when they get sick
 - Prevent providers and other groups from steering patients into the individual market when they could qualify for Medicaid



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PRESIDENTIAL TRANSITION

What is Likely to Happen?

- **Earliest Action is Likely in February**
 - Repeal will mostly occur using reconciliation tactic
- **Exchanges Will Struggle**
 - They are not profitable
 - Skyrocketing premiums and limited choice
 - Sicker risk pool than anticipated



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PRESIDENTIAL TRANSITION

What is Likely to Happen?

- **Popular Pieces Will Be Kept**
 - 69% support the pre-existing condition provision, including majorities of Dems, GOP, and Independents
 - Majority of both parties supports dependent coverage extension up to age 27
 - Only 35% support individual mandate



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THANK YOU

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**Join us for our next free webinar:
January 19, 2017 at 1:00pm EST**
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