


THE PHIA GROUP


EMPOWERING PLANS

**Back to The Self-Funding Future:
Which Echoes of 2016 Will Continue to
Impact Self-Funding in 2017**


LEARN




PLAN



SAVE




PROTECT





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Today's Speakers




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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: December 2016's Most FAQ

- What are a TPA's obligations with respect to §1557?
- What's the difference between state benchmark plans and state mandated benefits?
 - Bonus – Can a plan have an additional waiting period for a specific benefit?
- Is there anything a plan can do to help contain high cost Mental Health/Substance Abuse claims for out-of-network lab services?

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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. Win **one free hour of consultative guidance!**

Check out our social media pages 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@phigroup.com / 781-535-5605) to schedule a personalized training session for you and your team.

We hosted a brief webinar to review the changes; you can download it at:

- www.phigroup.com/media/webinars



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Attorney Tim Callender Named VP of Sales & Marketing













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Overview



- Trump Transition Update
- Top Cost Drivers in 2016 and Recent Years
- Legal & Regulatory Burdens
- Stop-Loss: Keeping Self-Funding Viable
- Increased Fiduciary Burden

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Trump Transition Update



- Confirmation Hearings Begin
 - Top Democrats have called for the House Ethics Committee to investigate President Elect Trump's pick for HHS Sec'y: Tom Price (R-Ga)
 - He traded > \$300k of stocks while working on health care legislation involving some of the same companies – WSJ
 - Price's confirmation hearings are scheduled for Jan. 18th
- ACA Regulations Rolled Back by the Judiciary
 - *Franciscan Alliance et al v. Burwell* – HHS Office of Civil Rights is stayed from enforcing the anti-discrimination provisions of Section 1557 (more on the implications of this later)
 - Expect a theme here – reliance upon the Administrative Procedure Act and the Religious Freedom Restoration Act
 - Case to Watch: *Gloucester v. Grimm* – definition of “gender identity” in public bathroom debate



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Trump Transition Update



- Update on the Politics of “Repeal & Replace”
 - Procedural Moves to Repeal the ACA Are Underway
 - The Senate is Acting (Budget Vote)
 - The House Has Acted (Procedural Vote)
 - Slowing Down Repeal
 - Concerns about Lack of Replacement (Rand Paul (R-KY), Lamar Alexander (R-TN), John McCain (R-AZ)); Governors Concerned



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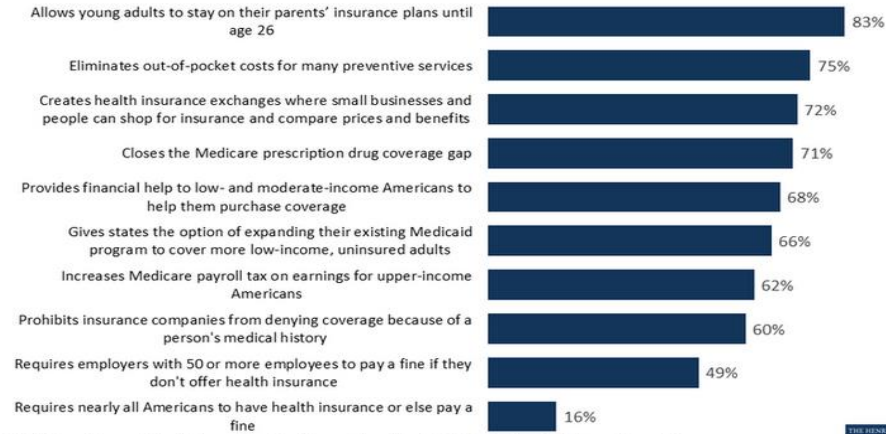
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Figure 12

Majority of Trump Voters Have Favorable Opinion of Many ACA Provisions

AMONG TRUMP VOTERS: Percent who favor each of the following specific elements of the health care law:



NOTE: Some items asked of half samples. Question wording abbreviated. See topline for full question wording.
SOURCE: Kaiser Family Foundation Health Tracking Poll (conducted November 15-21, 2016)



Kaiser Family Foundation

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Trump Transition Update



- Rep. Price's "Empowering Patients First Act"
 - Could form the basis for a replacement. Most detailed proposal.
 - Repeals Medicaid expansion, subsidies, insurance regulations (no EHBs), and consumer OOO protections.
 - Creates age-based tax credit for people buying insurance on their own (ineligible if you have coverage through your employer or the government).
 - Credit ranges from \$900 to \$3,000.
 - "Cadillac Tax" – his version caps exemption for employer-provided insurance at \$20k for a family and \$8k for an individual.



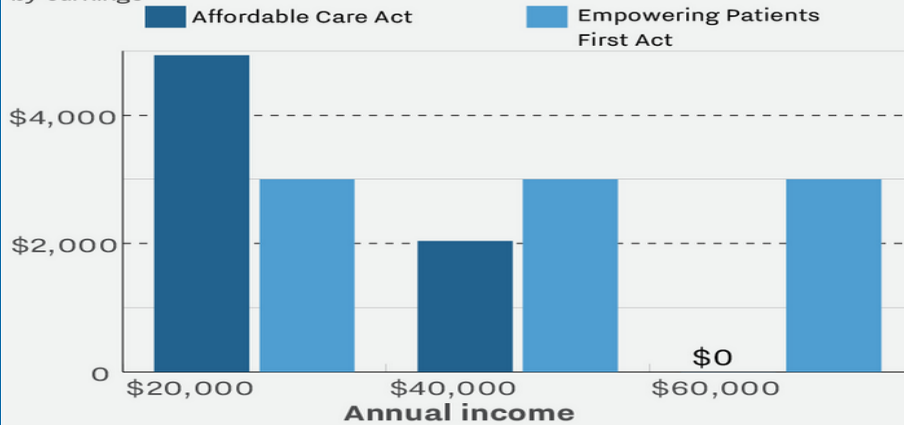
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Republican plans have more generous tax credits for those who earn more

Annual tax credits available to a 52-year-old enrollee under the Affordable Care Act (actual) and the Empowering Patients First Act (estimated) in 2017 by earnings



Credit: Sarah Kliff/Vox
Source: Connect for Health Colorado, Empowering Patients First Act

Vox

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Cost Drivers



- Organ Transplants
- Sepsis (sometimes acquired in the hospital)
- 1% of patients account for 22.7% of spending
- Specialty drugs: 37% of total spend
 - Sovaldi, Harvoni, Daklinza on top 5 – all for Hep C



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Legal & Regulatory Burdens



- ACA FAQ Part 35
 - Cures Act, women's preventative services, special enrollment rights

- Section 1557 & gender reassignment
 - TX court recently ordered injunction barring application of § 1557 to transgender and abortion services



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Legal & Regulatory Burdens



- State & NAIC efforts against self-funding
- Increased provider education to combat cost-containment
 - Especially regarding RBP and claim negotiations
- Redefining OOP in the RBP context
 - FAQ Part 31, Q.7
 - When *can* patients be responsible?



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Stop-Loss: Keeping Self-Funding Viable



Potential Roadblocks

- “Mailbox rule”
- Clinical audits without supporting policy language
- Underwriting PPOs
- Additional information...



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Stop-Loss: Keeping Self-Funding Viable



The Handbook Gap

- Example. Employee Handbook promises plan benefits while on approved leave of absence. SPD promises benefits only while active or on FMLA.
- Example. Handbook promises 16 weeks of disability leave. SPD promises covering during 12 weeks of disability leave.



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Increased Fiduciary Burden



- More DOL audits (one report estimates 30% increase)
- Closer scrutiny of all fiduciaries
- Fiduciary rules (for *retirement* plans....)
- Expanded definition of who is a fiduciary and when



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Increased Fiduciary Burden



- Increase in administrative appeals
- More appeals means more chances to be wrong
- Patients utilizing more resources
- Greater IRO and regulator involvement



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