

# BACK TO BASICS: PLAN LANGUAGE 101 (PART 2)



THE  
PHIA  
GROUP

EMPOWERING PLANS

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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: June's Most FAQ

- Prescription drugs: exclusions & discrimination
- Specialty drugs and medical vs. Rx coverage
- Employer mandate / dependent children requirement
- “Actively at work” provisions

# OVERVIEW

## Cost-Containment and Compliance:

- Regulatory Updates
- Latest News
- Leaves of Absence
- Payable Amounts
- Network Carve-Outs
- In General

# LATEST NEWS

- *SIIA v. Rick Snyder*: 6<sup>th</sup> Circuit affirms in favor of Michigan claims tax law
  - (Independent Consultation & Evaluation)
- *Flores v. City of San Gabriel*: 9<sup>th</sup> Circuit holds that cash-for-benefit arrangements constitute *salary increases*
  - (Independent Consultation & Evaluation)
- *Special Surgery of Houston v. Unitedhealthcare*: US District Court (S.D. Texas) reiterates the importance of citing the *specific exclusionary terms of the benefit plan in a denial*
  - (Plan Appointed Claim Evaluator®)
- CEO of Lahey Health System on Massachusetts: high-quality care, but excessively expensive
  - (Phia Unwrapped & Claim Negotiation)

# REGULATORY UPDATES

- New (June 10) regulations defining EHBs
- Colon cancer: tests vs. screenings
- PCORI filing deadline is **August 1**

# REGULATORY UPDATES

- Penalty increased for failure to provide SBC
- 2017 HSA limits released
- 7<sup>th</sup> Circuit (WI, IL, IN) on religious exemptions: only churches, not affiliated organizations

# LEAVES OF ABSENCE

- SPD tethered LOA policy to “employer’s policies”
  - Some written, some not
  - Stop-loss concerns...
- EE Handbook promised coverage while on leave
  - No mention of that in the SPD, though
  - Stop-loss concerns...



# PAYABLE AMOUNTS

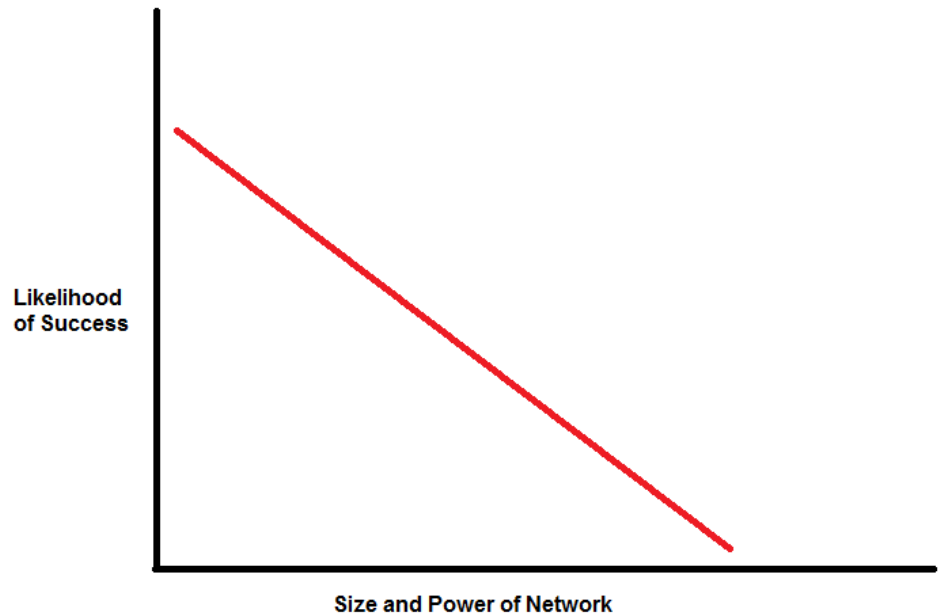
- Negotiated rates are the be-all and end-all
  - Yes, that *does* include PPO contracts
- PPO vs. SPD
  - Make sure the SPD lines up with the PPO!
- Percentage of Medicare
  - Specific vs. general
  - Authority to negotiate up to X%

# PAYABLE AMOUNTS

- Auditing criteria – make sure the SPD has it...
- Wrap networks
- Discrimination concerns
  - Example: mental health parity
  - Example: different amounts for different claimants

# NETWORK CARVE-OUTS

- Not all networks are created equal
- Inverse relationship between size of network and the likelihood of a carve-out



# IN GENERAL

- Translation requirements
- SMMs and SMRs
- Medicare issues & discrimination
- TPA vs. ASO

# IN GENERAL

- Fiduciary duties
  - Overpayment recovery
  - Prudent use of plan assets
  - Reasonable expenditures
- New lives coming to self-funded industry
  - Steer them to TPAs
  - Offer robust cost-containment options

# THANK YOU

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August 23, 2016 at 1:00pm EST  
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