

Pike & Preston

Employee Benefits | Health | Life | Disability

The Power of Partnership



October 18, 2013

KYNECT Kentucky's Exchange...

Kentucky chose to have a state-run exchange/marketplace instead of allowing the federal government to control the program. As a result Kentucky's exchange, KYNECT, is leading the nation in enrollment. While some people may have experienced some problems enrolling, more than 175,000 people were able to visit the kynect.ky.gov site in the first week. Over 155,000 people were able to complete the prescreening process and determine if they qualified for advanced premium tax credits (premium savings) and/or cost sharing reductions as well as review plan benefits, costs and start applications for coverage. KYNECT also pre-screens to see if any individuals are eligible for expanded Medicaid or KCHIP coverage. Medicaid and KCHIP enrollment can also be completed through the KYNECT program.

It is important to have your prior year's tax return and W-2



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statement available when requesting a prescreened quote. This information is required to see if a person qualifies for an advanced premium tax credit or cost sharing reduction.

Pike & Preston is licensed to assist people with KYNECT. If you, your family or employees have questions please call Robin or Kim. If you start the prescreening process on-line and would like our assistance, be sure to select Robin Gall #324171 as your agent.

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Insurance Company Notices

Recently the health insurance companies have been mailing notices to employers and employees. Do you need to do anything with these notices? **Yes.**

- **Discontinuance Notices:** Small Employers who have non-grandfathered health insurance (most small employers) will have received or will soon receive a plan discontinuance notice. This is merely a letter stating that the current benefits of the medical plan do not comply with the 2014 PPACA regulations and that the current plan will be discontinued and a new plan that does meet all requirements will be offered in its place. Employers with non-grandfathered health plans do have to notify their employees of this upcoming plan change and prior to the plan's next renewal more information will be provided with regard to benefit changes. Some carriers sent the employer a notice and advised that they must notify their employees and some sent the employer and employee notices. The important thing to remember is that this does not mean your group will not have insurance options; it merely means that the current plan will not be available and a new plan that meets the requirements will be offered. Please let us know if you have any questions or need any assistance with this notice.
- **Medicare Part D Creditable Coverage Notification:** Medicare Part D open enrollment season has begun and any Medicare eligible employees must be notified if the employer medical plan is considered creditable for Part D prescription drug coverage or not. Creditable coverage is defined as a plan that is expected to pay, on average, as much as the standard Medicare prescription drug coverage. Notification was required to be given to Medicare eligible beneficiaries by October 15th. However, if you have not notified them you need to take action and provide the notification ASAP. Each carrier notified the group if their plan or plans was creditable or not creditable. You may have received a list of plans and you had to find your plan or you may have received a letter addressing only your plan. If you are unsure if your plan is creditable or not please contact our office for assistance.

- Sample creditable coverage letters can be found at [Model Medicare Part D Creditable Coverage Notice](#)

Healthcare Reform: Myth or Fact...

- Only medical benefits are impacted by health care reform. - **MYTH**
 - Small group employers who offer a medical plan must make sure that they include pediatric dental care. This can be included in the medical plan by a rider or it can be satisfied with a stand alone plan. Any person up to age 21 who is covered under the medical plan must be covered for the pediatric dental benefits as well.
 - Large employers (50 or more employees) do not have to comply with this requirement.
- Benefits purchase on the insurance exchange have a lower cost and lower coverage. - **MYTH and FACT**
 - Insurance carriers are required to offer the same plans off the exchange as they do on the exchange at the same cost.
 - However, insurance carriers can offer more plans off of the exchange than they do on the exchange.
 - Some carriers are offering plans with smaller networks to try and make the plans more affordable.
- Only small employers will be impacted by premium increases with the 2014 healthcare reform provisions. **MYTH**
 - Small employers will be rated differently than they have in the past with Modified Community Rating.
 - Each person in the group will have an age-based and dependent specific rate (composite rates will no longer be available for groups 50 and smaller). There will be different rates for an employee + one child, employee + two children and employee + 3 or more children for each age category; the same is true for family coverage depending on the number of children in a family.
 - Healthcare reform taxes and fees affect all plans: Large and Small Employers. These new fees and taxes are estimated to be as much as 4%-4 1/2% of monthly premium.
 - The elimination of pre-existing condition limitations will affect all plans as well.

FLSA 18C: Whistleblower Protections

The Fair Labor Standards Act (FLSA) prohibits employers from

taking adverse action against any employee because the employee:

- received a premium tax credit or subsidy for a health plan;
- provided information to the employer or the federal or state government concerning a violation, act or omission the employee reasonably believes to be a violation relating to Title 1 of the ACA;
- testified or is about to testify in a proceeding concerning such violation;
- assisted or participated, or is about to assist or participate, in such a proceeding; or
- objected to, or refused to perform, any activity or assigned task the employee reasonably believes to be such a violation.

These protections are being enforced by OSHA and employers found to have taken adverse actions will be subject to severe fines.

Several recent webinar events have emphasized this protection and warned employers from taking action.

We hope this edition of The Pike & Preston Minute has been helpful. Please let us know if you have a topic you would like discussed or if you would like to schedule a meeting to discuss these or any other topics.

Sincerely,

Robin C. Gall
Account Coordinator
Pike & Preston, LLC

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